CAMBI

434143

and the same

restrictions on 10 categories of farm products. Page 4 ·

Anglo-Irish difficulties

Relations between the British

Oil price to stay stable

the members who had agreed in

prices would remain stable,

without repeating their sharp fall in 1986.

Signs of conciliation emerged

from West Germany and Britain after a two-day meeting of EC foreign ministers which, however, produced no breakthrough on deadlocked budget and farm issues. Page 2.

EC budget deal

China seeks investors General Secretary Zhao Ziyang, China's Communist Party leader, urged top Western capi-talists to invest – and even buy land – in a special economic zone being created on China's southern Hainan Island.

US-Soviet clash

The US and the Soviet Union clashed sharply over negotia-tions to eliminate chemical weapons at the annual UN Conference on Disarmamaent in

Dissidents freed

Four East German dissidents were released from prison, given exit visas and sent to West Germany amid signs that all the recently arrested dissi-dents woold be freed by the weekend. Leadership faces rising challenge, Page 20

Israelis close schools Israel closed schools and uni-100,000 Palestinism youths at home and prevent anti-larseli riots. Mubarak dis-mayed, Page 20

Beirut killing

Gunmen chased and shot dead a Frenchman, reported by militia sources to be a secret agent, in Christian east Beirut. Page 4

Soviet evacuation About 3,000 people were evacuated and 34 were taken to hos-pital after they showed signs of poisoning from the spill of a highly toxic chemical in a train derailment north-east of

Yeltsin speech denied The Soviet Union has condemned as fabrication a speech published in a French newspaper attributed to ousted Krem-lin reformer Boris Yeltsin.



FINANCIALTIMES

Wednesday February 3 1988

SEC fears investors may

D 8523 A

World News **Business Summary**

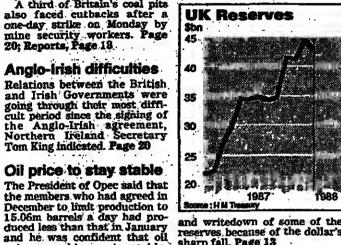
Nurses and Two top financiers seamen quit First on strike in Britain **Boston**

London nurses began a national campaign of 24-hour strikes protesting over low pay and blaming the Conservative Gov-ernment for shortcomings in the free state National Health FIRST BOSTON, blne-chip Service.

The protest began hours after British seamen brought many of the country's ferry services to a halt with a one-day strike over a rundown in the country's merchant marine.

A third of Britain's coal pits

UK FOREIGN currency and gold reserves fell \$1.2bn to \$43.1bn last month after a large official debt repayment



and writedown of some of the

TOKYO: Profit-taking gathered pace as Wall Street's overnight decline tipped the Nikkei average lower for the first time in five sessions. It closed down 60.11 at 23.672.21. Page 46

STEPLING closed in New York

TRADING in Ferruzzi and Montedison, Italian agri-industrial and chemical companies respectively, was suspended after their shares went into a free fall on the Milan stock exchange in reaction to reor-ganisation plans announced by Raul Gardini, Ferruzzi chair-

GRAND METROPOLITAN, UK drinks and hotel group, is sell-ing around 700 tenanted public houses, about 12 per cent of its licensed outlets, for an esti-mated £130m (\$229m). Page

SPAIN'S trade deficit grew to \$11.4bn from \$7.8bn last year, with the current account bal-ance showing a \$1.2bn surplus against an almost \$5bn surplus in 1986. Page 2

standby loan. Page 4 TURKEY has reached agree-

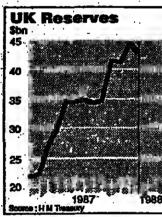
ment with Algeriz for the import of 40m cubic metres of liquefied natural gas over 20 years starting in 1992. Page 6

facing a \$4.2bn bid from BAT Industries of the UK, said it expected to show a 15.5 per cent increase in earnings for 1987. Page 21

WESTERN governments' and multilateral institutions' official development assistance to developing countries rose by \$5.8bn to \$54.8bn in 1986.

pany, suffered a wounding Wall Street investment comblow with the resignation of two star corporate financiers who generated 65 per cent of the company's business last year. Page 20

No. 30,454



sharp fall. Page 13

WALL STREET: The Dow Jones industrial average closed up 8:29 at 1,952.92. Page 46

Backing for CAP

Europeans feel warmly towards farmers and support the Common Agricultural Policy, according to a new poll. Page 2

LONDON: UK bonds moved up in line with the US bond market, but equities were subdued following Monday's rise in UK bank base rates. The FT-SE 100 index closed 2.5 lower at according to a new poll. Page 2

DOLYAN

Japan to lift curbs DM1.6830. FFr5.6770. SFr1.3740, Y128.25. It closed in Japan yesterday accepted a ruling by a Gatt disputes panel (DM1.6915); FFr5.6760 that it should lift import (FFr5.7025); SFr1.3720 (FFr5.7025); S (SFr1.3815); (Y129.35). Page 35 Y128.15

at \$1.7690. It closed in London at \$1.7700 (\$1.7585); DM2.9750 (DM2.9750); FFr10.0450 (FFr10.0275); SFr2.4275 (SFr2.43); Y226.75 (Y227.50).

man. Page 21; Lex, Page 20

21; Lex, Page 20

versities in the occupied West ARGENTINE Central Bank Bank in an effort to keep more officials are in Washington to negotiate the unblocking of the third \$225m tranche of an IMF

PARMERS GROUP, US insurer

CARIBBEAN Economic Com-munity has delayed for the second time the launch of s

\$16.5m bank to finance trade

because of difficulty in obtaining financial backing. Page 6

not return following crash exchanges should accelerate attractiveness of our securities efforts to increase the efficiency of automated settle-THE SECURITIES and happened occasionally. Exchange Commission, the supervisory body which oversees the US securities industry, lay behind the SEC's proposal

interest rate yesterday to 8½ per cent from 8½ per cent, as the Commerce Department published statistics which pointed to a modest deterioration in the

stage for a strong advance in the US bond market, where the

yesterday expressed concern to look for alternatives to what about financial market volatilit otherwise regarded as valuabout financial market volatility, the impact of futures-realled trading strategies such as stock index arbitrage. Its sugportfolio insurance and the performance of some stock of a specialist for trading indicactions. In its eagerly awaited report on the share price collapse last october, the SEC's market regulations.

In the past, a US recession has invariably been preceded

by at least three consecutive falls in the leading index. How-

ever, ou four occasions the index has fallen three months

without being followed by

US banks cut prime rate to 8½%

on the share price collapse last October, the SEC's market regulation division concluded that futures trading and strategies involving the use of futures were not the sole cause of the market break. However, the existence of futures on stock indices and the use of various atrategies involving computerised programme trading had been a significant factor in accelerating and exacerbating the declines.

"We believe that the increased concentration and velocity of futures-related trad"We believe that the increased concentration and velocity of futures-related trad
"The securities market got underway in got underway yesterday.

It rejected limits on price of the light of the light of the frash. How movements as suggested in the light of the frash. The SEC and the Commodity Futures Trading Commission will be asked to do the market crash "was an accident to happen." Immediately before the crash, abare with the performance of some special stations of rising real earnings.

Mr Alan Greenspan, chairman of the Federal Reserve Board, movements as suggested in the light of the crash. The SEC and the Commission will be asked to do the waiting to happen." Immediately before the crash, abare brites and options should be stretched to incredulity expectations of rising real earnings.

Mr Committee got underway yesterday.

It rejected limits on price of the Federal Reserve Board, movements as suggested in the report redictions of the Federal Reserve Board, movements as suggested in the report redictions of the Federal Reserve Board, movements as suggested in the redictions of the Federal Reserve Board, with the federal Reserve Board, movements as suggested in the report redictions of the Federal Reserve Board, with the federal Reserve Board, movements as suggested in the report published in January by the Federal Reserve Board, was an accident water of the Federal Reserve Board, was an accident at the same of the Federal Reserve Board, was an accident at the federal Reserve Board, was an accident at the same of the Federal Res the declines.

"We believe that the increased concentration and velocity of futures-related trading and resultant increases in capitalised sufficiently and recursive such a move could lead to the

exchanges should accelerate efforts to increase the efficiency of automated settlements systems and clearing agencies should consider improvements to their risk management systems to decrease the chances of default. The SEC'a report was published as the first of four days of hearings by the Senate Banking Committee got underway yesterday.

attractiveness of our securities markets to foreign investors. In the light of our securities markets to foreign investors. In the light of the securities markets to foreign investors. In the light of the securities markets to foreign investors. In the light of our securities markets to foreign inves

days.
These speeches emphasised the need to restore confidence ing and resultant increases in stock market volatility can have long-term, profound impacts on the participation of individual investors in the stock market," the report said. It added that the SEC was not hopeful that investors would participate in the market in the future even if the kind of volatility seen in late October only commended that the exchanges such a move could lead to the slace im individual investors and should stand ready to jump financial requirement imposed in with support whenever a securities firm was in difficulty.

Attacks on Wall Street concentrated on the role of programme trading, although the that a much increased level of the exchanges' present system of specialist surveillance," the collected for monitoring market abuses. Such a move could lead to the in individual investors and securities firm was in difficulty.

Attacks on Wall Street concentrated on the role of programme trading, although the trading information should be collected for monitoring market abuses. Such a move could lead to the in individual investors and securities firm was in difficulty.

man of President Ronald Rea-

gan's Council of Economic Advisers, has hinted that he

favours such a move by the US Central Bank.

However, there appear to be divisions at the Fed about the wisdom of an early easing of

policy at a time when the evi-dence that such a move is

needed is inconclusive, and the

risk remains that it could trig-ger new problems for the dollar

first to the news on prime rates and the economic indicators,

with the Dow Jones Industrial

Average falling as much as 24

points in the first few hours of

trading. In the early afternoon

however, the stockmarket had

taken courage from the bond market rally and the Dow

traded 5 points up at around 1950 by 2pm. Lex, Page 20

on the foreign exchanges.

healthy level.

The rising rebellion of East Germany's

youth, Page 20

Plain speaking: Mr Kohi and Mrs Thatcher yesterday sought to dispel the impression of cool relations

Thatcher, Kohl seek to resolve **EC** differences

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT, IN LONDON

British Prime Minister and Mr said. Chancellor, promised yesterday to do their best to reach agree-

Both leaders strove to dispel impressions that they were farmers prices would be cut.
resigned to a failure of the Britain insists that such Brussels meeting and to a post-ponement of fundamental discussion on reducing agricultural spending until the next Euro-summit in Hanover in June.

Mr Kohl, after a brief visit to London during which he had less than two hours of talks with Mrs Thatcher, stressed that postponlog the day of reckoning would only make the problems under discussion even more difficult to solve.

The Chancellor will be in the chair at the Brussels summit and, over the next few days, will contact other EC leaders to see whether a compromise can be reached between Britain and

took comfort from favourable early reports about the outcome of the first day of the Trea-sury's quarterly bond auction, in which Japanese participation was said to have been at a relations were cool. In contrast to bond prices, shares reacted negatively at

Minister simply as "Margaret"

conference and even mentioned for a thorough discussion of defence problems.

Mrs Thatcher, though noticeably less effusive, said the meeting had been "altogether very satisfactory and very constructive" in spite of the plain speaking. "Charming? That would be putting it a blt high,

MRS MARGARET Thatcher, the but there was good will," she Mrs Thatcher reaffirmed that the differences between the ment on farm policy reforms – the system of so-called "stabi-despite persistent conflicts – at lisers" for cereals, vegetable the EC summit in Brussels next week.

if broken, would mean that scheme must be an essential ancing deal and that the latest German proposals on the sub-

The Prime Minister appeared to hint at a possible future concession on the budget rebate which Britain receives from the Community under the 1984 Fonbtainebleau deal, although she immediately made clear the concession was not one of sub-

The British Government would insist on the continuation of the rebate as long as an agreement on new Community

budgetary resources had not been reached. The Prime Minister stressed, isk remains that it could triger new problems for the dollar
the foreign exchanges.

The leaders conceded that
their talks had not solved subtheir talks had not solved submethods to bring down the from a proposed new GNP Community's farm surpluses, based resource system, which but they went out of their way to dispel the widespread impression that their personal as long as the overall financial effect on Britain remained the effect oo Britain remained the

Such reports had left him same.

"shaking his head," said Mr
Kohl, who referred to the Prime tribute to Mr Kohl's staunch support for Nato, although the throughout their joint press two leaders did not have time conference and even mentioned for a thorough discussion of

tressury's benchmark 30-year bond gained 1½ points by early afternoon. The powerful bond market rally which began with the stabilisation of the dollar early in January has now brought US long-term interest. recession. The three monthly declines in the index at the end of last year brought US long-term interest rates down to 8.3 per cent, their lowest since April last were each very slight, however. and in October and November. the level of the index was influ enced heavily by the plunge in share prices on Wall Street.

US BANKS cut their prime announced early in the day.

Rather than the lower prime rates, however, the bond mar-ket seemed to be taking its cue Moreover, other measures of from the 0.2 per cent decline in the index of leading indicators economic activity, including a rise of just over 4 per cent in real gross national product in the second half of last year, and the sharp fall in sales of single family houses which the Department have been quite atrong and

Belgium blocks bid

MR CARLO De Benedetti, the behalf of Mr De Benedetti by a

MR CARLO De Benedetti, the Italian businessman aiming to win effective control of Société Paris-based financial holding Générale de Belgique, reacted bitterly last night to the Belgian Banking Commission's surprise decision to delay his partial offer for the company A statement from the Banking Commission, a Government appointed body which discretly supervises stock market activity, said that it could not sought. But it is understood it

activity, said that it could not sought. But it is understood it relates to the buying of Société Générale shares in the market validity of Management on the

validity of Mr De Benedetti's in the lead up to the first

vandity of Mr De Benedetti's in the lead up to the first announcement of the offer tainty surrounding an issue of more than two weeks ago.

The legal uncertainty cited in board and because it requires the Banking Commission's more information from the De statement relates to the plan by Banedetti side.

Benedetti side. A spokesman the Société Générale board to added that if this information issue up to 12m new shares so was not provided the offer as to dilute Mr De Benedetti's would be blocked for the next stake.

three months.

Last night's development provides important breathing by a Brussels commercial court space for Société Générale, - and voting rights in the new which plays a pivotal role in the Balgium according to the what could be a crucial hearing

for La Générale

US Prime Rate. The fall in the index of lead-ing indicators for the third consecutive month, led to fears that the US economy could face a serious slowdown this year. at The prime rate cut, the first reduction since early November in this key rate, which acts as a benchmark for bank lending to corporate customers, came as lower atter the sharp declines in market interest rates since mid-January. However, it helped to set the stage for a seconomy could face a serious slowdown this year. Sales of single family houses, Sales of single 1987

most economists continue to doubt that a recession lies

The fall in the leading index is likely to be cited as evidence to support economists who argue that the Federal Reserve Board should ease monetary policy and encourage short-term interest rates to decline to try to offset the anticipated economic weakness. Dr Beryl Sprinkel, the chair-

US warns

By John Wyles in Rome

Secuma.

The "Camberley Group" of donor countries (which first met at the UK town of Camberley) is to meet in Hel-sinki at the beginning of next week to plot tacties in their struggle to force bud-

The group, which includes Continued on Page 20

FAO on budget

THE US signalled yesterday that it would only help the United Nations's Food and Agriculture Organisation (FAO) avoid the impending crisis in its funding if mem ber countries adopted fun-damental reforms in the organisation's hadgetary

The stand taken by the US at a meeting between permanent representatives of tries and Mr Ednardo Saouma, the organisation's director general, promises a bitter war in coming months between some of the lead-ing donor countries and Third World governments strongly allied with Mr

getary reform.

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Poris route. London City Airport provides the base for an exclusive partnership. Brymon Airways, the world's most experienced operator of De Havilland Dash 7 aircraft and Air France, offering the efficiency and convenience of Terminal 2 at Charles de Gaulle Airport. The service is called Cityclass and we'll be operating six flights

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to Paris every weekday and two

at the weekend.

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dal Futures Lindt Treats

Turgut Ozal, Turkey's Prime

TURKEY MAKES UP FOR LOST TIME

Minister, has unleashed a dynamic

commercial impulse, Page 19

The Société Générale taction

India: Assam's patience with Delhi grows

UK science: Looking for a marriage of

Lex: Prime rates; building societies; Ferruzzi/Montedison; NFC; GrandMet ...

the Belgium economy and what could be a crucial hearing whose fate has aroused wide-today, the president of this trispread political concern. But it bunal will be considering an was angrily condemned on appeal.

Technology: AT&T finds the solution that dissolves the ozone problem9

Editorial comment: Test case for privatisation; Reconciliation in Davos Britain's electricity industry: Making a difficult sale

Spanish

balance of

payments

SPAIN'S trade and corrent account balances deteriorated

sharply last year and a worry-ing drift towards balance of payments problems later this

year was scarcely offset by

worsens

By Tom Burns

Ozal flies home to face run on lira

By Jim Bodgener in Ankara

TURKEY's Prime Minister, Mr Turgut Ozal, flew back from Switzerland yesterday, buoyed by a new accord with Greece, to face a run on the lira and allegations involving his new Defence Minister, Mr Ercan

Vuralhan. The prime minister repeated warnings to banks against spec-ulation in foreign exchange markets. The Government is expected to announce soon a package of measures designed to halt the llra's slide and restore confidence in the econ-

omy.

The lira has spiralled downunregulated markets over the past formight, falling by a dif-ferential of 20-25 per cent against official central bank rates fixed daily. Yesterday afternoon, the free market buy-ing rate for the dollar was TL 1,330 against the official rate of TL 1,124.

of TL 1,124.

The immediate cause of the lira's slump is popular mistrust shead of its expected flotation in March, in the government's quest for eventual convertibilities.

The government also faces the most serious test yet of its cohesion since Mr Ozal's re-election. The press has accused Mr Vuralhan concerning the alleged award, in a previous position of a contract to supply bullet-proof cars to the Foreign Ministry.
The allegations culminated

yesterday in the lodging of cen-sure motions in parliament by both opposition parties. Parliament voted to consider on February 11 whether to debate the

Mr Ozal has defeoded his new Defence Minister, azying the evidence is not sufficient to warrant an official inquiry. However, he has also pledged that Mr Vuralhan would be asked to resign in the last resort, if evidence proved

damning.
President Evren has said it is up to Mr Ozal to take any nec-

EC looks to UK and Bonn for concessions

BY DAVID BUCHAN IN BRUSSELS

meeting of European Commuhowever, produced no break-through on deadlocked budget and farm issues in advance of the European summit on Febru-ary 11-12.

while the UK still seems to be insisting that West Comnity foreign ministers which,

Mr Hans-Dietrich Genscher, Mr Hans-Dietrich Genscher, the West German Foreign Min-ister in the presidential chair, wound up the meeting by tell-ing the 11 other foreign minis-ters: "I shall be telling my col-leagues in Bonn that the Federal Republic must make

Indeed the focus of summit preparations switched last night to internal West German politics in Bonn, where Chan-cellor Helmut Kohl, fresh back

ters.

Aware that some internal the UK is marginally more to the rounder of relaxed controls during an election year, particularly in the run-up to the November elections which returned Mr rolling to the Secretary confined himself in public to saying the Brussels meeting had made "useful progression serious test yet of its to the next summit is not to the second desire to the next summit is not to the second desire to the next summit is not to the second desire to the next summit is not to the second desire to the argument, the UK is marginally more tight-fisted than other northern member states in resisting this demand.

The only issue settled by the foreign ministers this week concerned the amount of extra subsidy the EC should pay on farm to the other side of the argument, the UK is marginally more tight-fisted than other northern member states in resisting this demand.

The only issue settled by the foreign ministers this week concerned the amount of extra subsidy the EC should pay on farm to say ing there was question of the forminal hards a year to Ecu 14bn by 1992. On the other side of the argument, the UK is marginally more tight-fisted than other northern member states in resisting this demand.

The only issue settled by the foreign ministers this week concerned the amount of extra subside the EC should pay on farm to say in the EC

allow for the French desire to use money also in reaction to end, like its predecessors, in trade policy moves by third failure, concessions by both

Court rejects Dutch case for growers' cheap gas

sion had been right to intervene under Article 93 of the Treaty of Rome to force the Dutch

SIGNS of conciliation yesterday Bonn and Londoo will be key to emerged from West Germany any overall package. For and Britain after a two-day instance, Bonn will have to any overall package. For instance, Bonn will have to lower and London increase the amount each is ready to see

give more ground on farm issues that it does itself, the West German presidency appears to want UK movement on the size of future develop-ment spending on poorer EC regions. The summit, even if it reaches long-awalted harmony on farm spending, could still be scuppered by demands for more

scuppered by demands for more development money from southern members.

Spain reaffirmed at this week's meeting its strong support, even more than the Commission Itself, for the formal Commission proposal that so-called structural funds be doubled from Ecu 7bn (£4.8bn) a year to Ecu 14bn by 1992. On the other side of the argument.

ment, the main farmers' union

and producer organisations.
The court also agreed that the

Community law - but it came

down against the Commission's argument that the prices set for horticulturalists from June of that year were still too low.

THE EUROPEAN Court of Justice in Luxembourg has given its verdict on the bitter row semi-state body responsible for tariffs had been slow to imple-ment the Brussels decision in 1985 – in a manner contrary to over preferential gas tariffs offered to horticulturalists in

The Court said the Commisof kome to force the Dutch of that year were still too low. The prices paid by flower and vegetable growers in 1984. It rejected a complaint about the action by the Dutch Govern-

war crimes document not found

last night after failing, both in Zagreb and Belgrade, to find the original of a document said to link the Austrian President to Nazi war crimes, Renter reports from Zagreb. Mr Manfred Messerschmidt, a

member of an international commission of historians invescommission of historians investigating Mr Waldheim's past, said he had failed to find the original in the Croatian Archives in Zagreb.

His research assistant, Mr Zoran Jovanovic, said in Belgrade he had also failed to find it in the Yugoslav Archives or the Military History Institute. These three archives are the greatest storehouses of wartime.

greatest storehouses of wartime documents in Yugoslavia. Mr Messerschmidt was sent to Yugoslavia to authenticate the

document, published in the West German magazine Der west German magazine Der Spiegel. It purports to be a tele-gram sent in July 1942 by a Croatian commander to a Ger-man commander, advising that a Lt Kurt Waldheim sought to deport more than 4,000 Yugos-

lavs. Mr Waldheim has denied any mr wauthem has benied any involvement in war crimes and called the telegram a forgery. Der Spiegel said the original was discovered in Zagreb archives by Yugoslav historian Dusan Pleoes, who said on Monday that it was in Belgrade.

European poll backs CAP

EUROPEANS feel · warmly EUROPEANS feel warmly towards farmers and broadly support the aims of the Common Agricultural Policy, according to a poli released yesterday, writes Tim Dickson in Brussels.

Most Europeans think that

substantial public aid for agri-culture is a good thing. Many "believe that farmers are not merely economic agents but that through their work they help to preserve the environ-ment". Most reject the idea that Europe should buy cheaper agricultural products from abroad rather than those grown at home with the help of subsi-dies, while there is an overall belief that farmers' organisa-tions do not enjoy excessive influence

Almost three quarters believe the least profitable farms are bound to disappear.

Waldheim Rome defence chief ready to risk row over US bombers

BY JOHN WYLES IN ROME

MR VALERIO Zarone, the Italian Defence Minister, yesterday explained why his government A WEST GERMAN historian may risk domestic controversy probing the wartime past of Mr Kurt Waldheim left for Vienna last night after failing, both in within three years. He told the defence commit-

tee of the lower house of the Italian parliament that the air-craft were "an important ele-ment" in the defence of Nato's southern flank.
If Nato decided that they

should be based in Italy, there, would be no qualitative or quantitative increase in the alliance's military forces, said Mr Zanone. But the shuraft were important for maintaining the balance of forces between East

THE ITALIAN lira stood firm against the major curfreedom than those minimally required by the European Community.

The measures, which will take effect by October 1, will permit Italian residents enciee yesterday after details were revealed of exchange control restric-tions to be lifted later in will permit Italian residents to buy foreign debt issues with a minimum maturity of six months instead of two years as at present. Restric-tions on buying foreign commercial paper and cer-tificates of deposit will

the year.
The relaxations follow the path set out in frame-work legislation adopted by parliament last November. The government says the changes will put Italy on a par with most industria-lised countries, with greater

BY IAN DAVIDSON IN PARIS

OFFICIAL aid from Western

governments and multilateral institutions to developing coun-tries rose by \$5.8bn to \$54.8bn

in 1986, or an increase in cur-rent dollar terms of about 16

But net export credit flows fell by about \$1bn to \$2bn, a

decrease of almost a third from an already low base; while pri-

vate flows of funds to develop-ing countries fell by \$3.2bm from \$30.4bo to \$27.2bn, and within this sub-total interna-

tional bank lending fell by more than half from \$13.5bo to \$5bn.

The net result of these con-

tradictory trends was only a slight increase in total financial

resource flows to developing

countries in current dollar terms, from \$82.3bn to \$84bn.

Commenting on these figures, which are published in the 1987

annual report of the OECD's Development Assistance Com-

per cent compared with 1985.

tion efforts. The removal from the European theatre of this air force

would really mean the collepse in Nato's southern defence capability," added the minister. He said that although the US and Spain had agreed that the F-16s would be moved from the

Torrejon base near Madrid within three years, Washington wanted a solution urgently so that it could cover the costs of the transfer in the fiscal 1989 budget starting from next Octo-

Despite the authority with which Mr Zanone spoke yester-day, it is by no means clear that Italy's five-party coalition gov-

In addition, corporations

Gloomy outlook for foreign aid

oot that the real increase in official development aid by

DAC member countries, after allowing for exchange-rate and price factors, was only about 1.5 per cent, somewhat below the long-term trend increase of

2 per cent per annum. But since two-third of DAC

members expect to increase their aid appropriations in the years ahead, the OECD predicts a reversion to the growth trend of around 2 per cent a year.

"The primary reason a projec-tion of a higher level is oot warranted," he says, "is the clouded ontlook for United

States' Official Development Assistance levels in the context

of that country's budget and trade adjustment policies."

and West and for arms reducernment is united on the ques

Mr Bettino Craxi, the Socialist leader, was quoted in a mag-azine this week as sympathising with the opposition to the F-16s among residents of the area around Nato's Comiso base in Sicily. As they are bidding farewell to cruise missiles, thanks to the recent US-Soviet

thanks to the recent US-Soviet agreement, Mr Craxi doubted that the citizens of Comiso would welcome a force which would carry nuclear weapons. He also accused the US of putting excessive pressure on Rome to accept the fighter bombers. According to Mr Zanone, the F-16s would be bringing with them only conventional armaments.

trading overseas will be able to raise from 10 per cent to 20 per cent the for-

eign currency content of their liquid assets. Residents will also be free

to use credit cards abroad and to hold up to L2.5m of

and to note up to 12.am or foreign currency instead of 1.200,000. They will be able to export 1.1m in bank notes instead of 1.500,000 and to lasue non transferable life.

cheques for payments abroad up to Lom.

share of private flows has dropped from 51 per cent to 32

per cent, and export credits shrunk from 13 per cent to 2

per cent; whereas the share of total official development

finance has almost doubled from 36 per cent to 65 per cent

assistance both increasing by

Mr Wheeler describes 1986 as "The Year of Italy", since Ital-ian official aid rose 59 per cent

This brought Italy for the first time above the DAC aver-age in terms of the aid-to-GNP

similar proportions.

in real terms.

year was scarcely offset by vastly increased capital inflows during 1987 which have raised gold and foreign currency reserves to record heights.

Figures released by the Bank of Spain showed that the trade deficit had grown to \$11.4bn against \$7.8bn last year. The trade gap has taken its toll on the current account balance which showed a surplus of \$1.2bn against a 1986 surplus of nearly \$5bn. Italians ease exchange controls

\$1.2bn against a 1986 surplus of nearly \$5bn.

The spectacular capital inflows of \$14bn during 1987 raised Spain's foreign and gold reserves to \$30.1bn, a figure slighty in excess of the national foreign debt, both public and private.

The trade belonge highlighted

private.

The trade balance highlighted the serious impact on imports of tariff disarmament in the wake of Spain's entry to the European Community. Imports grew by 38 per cent to reach \$44.6hn while exports climbed by 24 per cent to slightly more than \$33.2 bn.

The prospects of a widening trade gap this year are fuelled by a further 15 per cent cut in EC import tariffs on January 1 in line with the terms of Spain's

in line with the terms of Spain's entry to the EC and by budgetary tax cuts which will do little to dampen a strong 1987 trend in consumer spending.

Strong earnings from tourism which rose to \$12.8bn, an

increase of nearly 22 per cent over 1986, were of little avail flows to developing countries than at any time since the 1950s. Since 1980, the relative in atemming the drop in the current account balance.

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trade adjustment policies.

The chief effect of the decline in private flows, the report notes, is that official development finance is now playing a from 1.01 to 1.2.

mittee, Mr Joseph Wheeler. larger role in total financial chalrman of the DAC, points flows to developing countries

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BY IAN DAVIDSON IN PARIS THE French National Assembly yesterday began debating proposais to regulate the finances of political parties, including a FFr 100m ceiling on each candidate's expenses in presidential elections.

Until a week ago, consensus on the legislation appeared to be emerging among the three largest political groups: the governing neo-Gaullist RPR party, its coalition partners grouped in the centrist UDF, and the opposition Socialist party. That consensus broke down in committee last week, when the UDF proposed, and the socialists indignantly. rejected, an amendment to allow political donations to be tax deductible.

The proposals follow a wave of politico-business scandals last year, of which the armsfor-Iran "Affaire Luchaire" was for Iran "Affaire Luchaire" was terrand last autumn urged new of the day the most spectacular. Many of laws on party finances which these "affaires" allegedly would, he said, "finish once and involved the abuse of power for all a question which has

PLO plans

THE PALESTINE Liberation

Organisation is negotiating the hire of a Greek-owned cruise boat to return a number of Pal-

estinians expelled from the

occupied territories, to Israel, accompanied by several hun-

dred international personali-

Departure has tentatively

been scheduled for the begin-ning of next week; but the char-

ter contract has not yet been signed, according to Mr Tzannis

signed, according to Mr 12annis Kouloumbis, the captain of the Maltese-flagged Silver Paloma, owned by the Piracus-based Afroessa Lines company. The vessel is expected to

begin its voyage at Piraeus on February 8 or February 9 and to make a stop at the Cypriot port of Limassol, before sailing to Halfa in Israel.

According to the captain, the PLO had specified that the passenger list would consist of a small number of Palestinians

expelled from the occupied ter-

ritories and "400 VIPs." The Identity of the Palestinians

Identity of the Palestinians involved has not been disclosed.

Mr Kouloumbls indicated that, besides finalisation of the contract, the voyage would depend on agreement from the Greek foreign ministry. "It is not a case of the ministry giving the order for us to sail, but of indicating that there is no problem with our going ahead," he said.

he said.

The ministry's involvement reinforces speculation that the issue of the voyage was raised by PLO leader, Mr Yassir Arafat, in talks with the Greek prime minister, Dr Andreas Papandreou, during a flying visit to Athens in January.

Dr Papandreou then said that Athens would raise the Pales.

Athens would raise the Palestinian issue at the kevel of the European Community when Greece assumes the presidency of the Council next sammer.

Until the recent wave of unrest in the occupied territo-

ries, the strongly pro-PLO Greek Socialist Government

was apparently set to extend de jure recognition to Israel before

return of

exiles to

Israel

and underhand channelling of funds to political parties.

The absence of effective laws governing party finance has created incentives for dubious manoenvres in political fund-ing. But manifestly the public-ity surrounding the "affaires" has mainly been the result of discreet orchestration in the media by politicians to fling mud at their opponents.

French parties split over

move to clean up funding

in the case of the Luchaire scandal the mud appeared to scannal the mun appeared to stick to the Socialists, since the illegal arms exports in question took place under the previous Socialist government; it was alleged – but has still not been proved – that the deal involved underhand channelling of funds to the Socialist Party. to the Socialist Party.

It was at least partly in an attempt to counter the effect of this scandal, that President Mit-

poisoned the life of the Republic for a hundred years".

In addition to the ceiling on m addition to the ceiling on presidential candidates' election expenses, the new legislation will limit spending by parliamentary candidates, fix the share of election expenses to be reimbursed by the state, and require virtually all elected office-holders to declare their assets at the beginning and end of their terms of office.

of their terms of office.

The major unresolved problem, as highlighted by last week's breakdown in committee, concerns the day-to-day financing of political parties outside election periods. The neo-Gauilist RPR, which is generally assumed to be the party most amply supplied with business donations, did not support the UDF proposal to make personal or business contributions tax-deductible; but at the end of the day, it is likely that the of the day, it is likely that the RPR and the UDF will line up together to push the legislation

Carlucci to discuss **US Azores air base**

US DEFENCE Secretary Frank start-op funds for a Luso-Amer-Carlucci holds talks in Lisbon ican Foundation. The remainder today with the Cavaco Silva

came in the form of soft loans for, or in the direct supply of, military equipment. The Portuguese Air island in the Azores.

The Portuguese Government is unhappy with dwinding financial returns from the agreement. It wants to exercise its option to begin a review on February 4 of the text signed in December 1983.

The pact goes back to the compensation of soft loans for, or in the direct supply of, military equipment. Expectations remained high but the US Congress cut back foreign sid in 1986 when funding dropped to \$189m. In 1987, the US Administration proposed \$220m: only \$147m squeezed through Congress. For 1988, the Congressional knife has cut deeper still: \$117m is likely to be all Portugal

The pact goes back to the 1950s and has periodically been updated: the 1983 version offered Portugal major finan-

cial benefits.

In return for another seven years' use of Lajes - considered strategically useful in case of Middle East conflict - the US Administration promised lts best efforts to secure growing Congress, it expects the Admin-

Portuguese expectations were The shrewd Mr Carlucci will satisfied in 1985: \$280m were have to seek a formula that granted in total; \$40m was smooths Portuguese feathers given as economic aid to the but does not ruffle Congress in Azores themselves and \$60m an election year.

Soviet military | Ozal faces test aim unchanged, in political row about minister

The US Administration has

repeatedly pointed out that it has made "best efforts" on Por-

But since the Cavaco Silva

Government cannot haggle with

istration to be its champion.

tugal's behalf

By Jim Bodgener in Ankera

THE WEST must not be deluded by rhetoric from the Soviet leader, Mr Mikhail Gorbachev, or the conclusion of the INF treaty, into expecting irresist-ible progress towards wider disarmament, the UK Defence Secretary, Mr George Younger, told an invited audience in Copenhagen last night. Mr Younger is on a two-day official visit to the Danish capi-

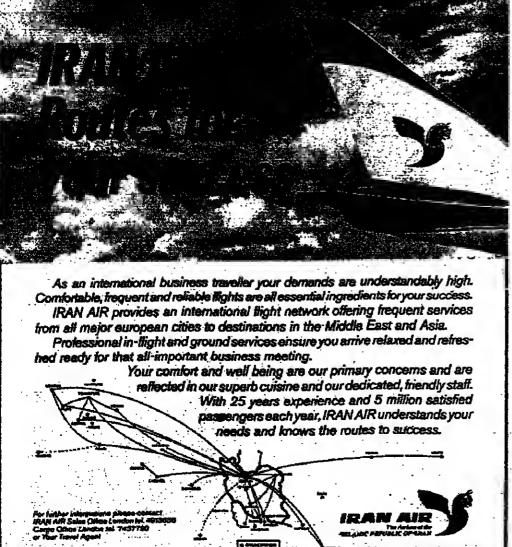
Younger warns

The central security problem in Europe is Soviet military power, far in excess of any needed for defence or keeping its satellites at heel," he said.

"Soviet strategic aims in Europe remain what they always were, to fragment the Nato alliance, to de-nuclearise Europe and above all to undermine the credibility of the US commitment to European security," he continued.

He stressed that the unity of the Nato alliance remained vital.

MR TURGUT OZAL, Turkey's Prime Minister, flew back from Switzerland yesterday, buoyed up by his accord with Greece, to face a run on the lira and a row about one of his ministers. The Defence Minister, Mr Ercan Vnralhan, has been accused in the press, of financial irregularities in a previous post in his award of a contract to a West German firm to sup-ply bullet-proof cars to the For-



Finnish election blow for **Premier**

By Sara Webb in Helsinki

IN THE WAKE of Monday's IN THE WAKE OF MONDAY'S presidential election, attention in Finland is focusing on the fate of the Conservative party and Mr Harri Holkeri, the countries of th try's Conservative Prime Minis-

Mr Holkeri's disappointing performance – he came third instead of runner-up – bas led to speculation that he may not run as the Conservative presi-dential candidate in 1994.

dential candidate in 1994.

Mr Mauno Koivisto, the president for the last six years, won almost 48 per cent of the vote, just short of the 50 per cent needed. But he is expected to win when the electoral college votes later this month.

Mr Koivisto, the Social Democratic candidate, already has the support of 144 of the 301 electors in the college, while Mr Holkeri has 62 and Mr Paavo Vaeyrynen of the Centre Party Vaeyrynen of the Centre Party has 68. it seems likely that some of Mr Holkeri's supporters

will move over to support Mr
Koivisto, giving him a majority
in the first ballot.

The Conservative party will
now have to decide whether to
field Mr Holkerl as the presidential candidate for the 1994
election or whether to look for election or whether to look for another candidate such as Mr Ilkka Suominen, the Conserva-tive party chairman.

It will also have to reassess its relationship with the Social Democrats in Finland's red-blue came in the form of soft loans

coalition government. Since coming to power for the first time in 21 years at the general election last spring, the Conservative party has faced internal problems. Mr Holkeri appears to want to change too much too soon when it comes to taxes and labour relations.

His task may be made more difficult now by the emergence of Mr Vaeyrynen, the Centre Mr Cartucci, who knows Porparty chairman, as a more formidable opposition leader. tugal well, has to kick off a delicate debate:

William Dullforce on the issues at Davos World Economic Forum

Clouded views from a Swiss Alp

The event validated the philosophy of

together in a cossetted but stimulating

maintaining growth by running storming session.

The response from the official decision-makers was qualinvestors – a point made more diplomatically by Mr Yasuhiro Mr David Mulford, Assistant Nakasone, the former Japanese Peine Ministers in his comming.

Nakasone, the former Japanese Secretary for International Prime Minister, in his opening Affairs at the US Treasury.

put political and business leaders

environment, results will emerge.

the World Economic Forum, that if you

TAKE SOME 700 top business-men from more than 50 coun-tries to a plushly equipped Swiss ski resort, blend in 50 or so cabinet ministers, high gov-ernment and international officials, add 150 assorted politicians and academics, spice with a Doomsday planetary dis-course from Professor Carl Sagan, the astrophysicist, spin the lot in a near non-stop, impeccably organised six-day schedule of plenary sessions, briefings, lunches, dinners and private meetings: and what do

you have? One correct, if anyprising, answer is the venue for an act of political reconciliation between two perennlally divided nations – in this case Turkey and Greece.

Professor Klaus Schwab, the unflappable and indefatigable organiser of the annual World.

their nations' differences.

underlying philosophy of the WEF, that if you put political and business leaders together in a cossetted but stimulating environment, results will emerge. Mr Ozal and Mr Papandreon made their first, very reserved, personal contact two years ago at breakfast in

One VIP, insisting that reporters present should not divulge his high government status, described as purely coincidental the "so-called" victory in December when combined central bank intervention halted and portially reversed the clide tal the "so-called" victory in December when combined central bank intervention halted and partially reversed the slide in the dollar. Elther the exchange rate had to give further or interest rates had to rise in the US.

Mr Lionel Olmer, a former US Undersecretary for Commerce, chairing a discussion panel on the new rules for corporate and the blg European countries Another correct answer is that in the WEF you have what one participant called the global town square. Encounters among international leaders and businessmen - in the Con-gress Hall, hotel lobby, walking lown the Promenade or on the ski slopes - can be as casual or intense and as non-committal as

between neighbours in a small the new rules for corporate competition, chided panellists for not reflecting "the incredible difficulties facing the businessmen come back year chairing a discussion panel on nomic policies by the US, Japan and the blg European countries was working. "It is no good saying that coordination will work in the long run, In the long run we are all

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experienced a moment of con-summation on Sunday, when he appeared before television cameras together with Mr Turgut Ozal of Turkey and Mr Andreas Papandreou of Greece, as the prime ministers announced their decision to start resolving

The event validated the

make up its own rules as best it reaches this year's SFr6,100

This year, the October stock market crash, the plunge of the dollar, and the fear of recession in the US had provided them with even more urgent reasons for testing the intentions and perceptions of the ministers, central bankers, and international and government officials. From the start the business-men's incertitude and doubts were palpable. In one closed session an Australian banker warned that the US policy of

Was the US leading the world into recession and was eco-nomic co-ordination among the

major powers working fast enough? the banker asked.

Necking the Carry nach; trest era

can to survive in an increasingly turbulent environment."

Where is the dollar rate going? Are interest rates bound to rise in the US? Is international economic co-operation really working? Is the international trading system breaking down or will Gatt's Uruguay retreat into protectionism? And above all, is the US economy heading for recession, taking the rest of the world with it? Business concern punctuated plenaries, briefings and "brain-

could central banks keep it sta-

Mr Mulford, Mr Schlesinger, Mr Toyoo Gyohten, the Japa-nese Vice-Minister for Finance, and Mr Onno Ruding, the Dutch Finance Minister, agreed that co-ordination had been too

lethargic after the attempt in the Louvre accord of last Feb-rusry to stabilise exchange But, Mr Mulford claimed, since the October stock market crash governments of the Group of Seven industrial countries had been achieving more effective co-ordination on a

quiet daily basis than at earlier

full-scale formal negotiations.

Slowdown in economic growth in the US this year but no recession was the nearly unanimous public forecast. Confidence was also voiced in prifidence was also voiced in private, but with some reserva-tions, about currency and stock market reactions, should the switch from growth led by domestic demand to export-led growth be prolonged.

Mr James Howell, Professor of Economics at Stanford Uni-

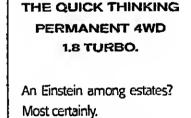
versity. California, estimated that a 4 per cent cut in private US consumption over the next few years would be needed to correct the US trade deficit of

said a further decline would be "counterproductive." more than \$170m in 1987.

An extremely powerful surge in US exports would be needed to compensate, economists in Mr Clayton Yeutter, the US Trade Representative, said US companies were internationally the audience remarked, underprice competitive at current lining the tenuousness of the current dollar rates and the importance of holding trade protectionism at bay. A Swiss banker aaw "no objective reasons" for the dollar to recover and how long

Mr Bruce Smart, the US Undersecretary for International Trade, probably summed up best the mood after the exchanges, when he was asked whether he thought exchange rates had now been stabilised and whether one could hope for a new Gatt agreement in 1990 with an effective dispute settle-ment mechanism.

Remarking that by then he would have left government and returned to business, he replied: "I hope for both and count on neither."



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The immigration issue remains unresolved, writes Mani Deb

Israeli deputy PM rules out US plan

A LARGE spanner was thrown yesterday into the delicate works of the latest US peace initiative on the Middle East by Mr David Levy, the right-wing Israeli Deputy Prime Minister. Breaking an uncharacteristic silence of recent weeks, Mr

Levy told an enthusiastic crowd of Jewish settlers in the occupied West Bank that he categorically ruled out any "enhanced" autonomy proposal for the territories. 25 reportedly envis-aged by the US as an interim

solution.

The only possible policy, he said, was the autonomy plan defined in the 1978 Camp David accords. This was an open challenge to his own Herut party leader, Prime Minister Yitzhak Shamir. However, as a backlash of right-wing opinion against the current opinion against the current thinking of the US State Department gathers strength. Mr Shamir himself is believed to be having second thoughts.

Mr Levy, a maverick populist and strong supporter of the Jewish settlers, is also Housing and Construction Minister. In that capacity, he announced yesterdaythat "thousands" of new apartments would be built this year with government funds in existing settlements. Halting new settlement activ-ity has beenensingled out by President Hosni Mubarak of

As torrential wintry rain swept across the hilly West Bank yesterday, few distur-bances were reported. Curfews remained in force in all of Nablus and its adjoining refusee camps, together with the villages of Anabta – where two people were killed on Monday – and Bani Naim, and the trouseur camp. bled Jelazoun camp.

In a precautionary move to forestall further disturbances forestall further disturbances largell political scene is in a blamed on Monday's start of state of flux. In elections years the new academic term in the and at times of heightened ten-West Bank, the army ordered the slon such as the present the slon such as the present the slon such as the present the middle ground and gain enough flux becomes quite molten.

Where the Centre Party differs sharply from its more timpout of five university campuses. Altogether, more than 100,000 students were affected by the indefinite measure.

And at times of heightened tending the middle ground and gain enough seats in this November's elections — six or seven is the target — to act as a moderating, secular power broker between 1ts shopes on generating some two behemoths it denounces as staying power — is in its declared willingness to deal first half of the century. West Bank, the army ordered the closure of all secondary

Assam's patience with Delhi grows increasingly thin IN A POLL marked by violent clashes over allegations of

vote-rigging, the student based Asom Gana Parishad (AGP) government in Assem has man-aged to win its first by-election since coming to power two

The margin was a thin 714 votes over the rival Congress (1) party, which had hoped to see its popularity revive after its shock defeat by the AGP in the 1985 state elections.

years ago.

The violence in the Nazira by-election brings into focus the growing tension between the AGP and Mr Rajiv Gandhi's Congress (I) Government in Delhi over the delay in implementing the Assam Accord. That agreement ended a sixyear campaign led by Assamese students against illegal immigrants.

years ago, Mr Prafulla Kumar Mahanta, soft-spoken son of a village school teacher, became the first student to be sworn in as the chisf minister of Assam, the tea and oil producing state in india's strategic

powsrful All Assam Students Union (AASU) which spearheaded a campaign of civil unrest against illegal immi-grants – the influx of an esti-mated 4m foreigners, mainly



was, and Bangladesh. The agitation began in 1979 when it was found that voters' regionalism, the students who lists had grown through the addition of 65,000 such immi-AGP to fight the elections, grants. For decades landless swept to a resounding victory peasants from East Bengal have found it easy to slip across the found it easy to slip across

INDIA

lems, except for two waves of experience did not deter them

Congress governments which have ruled Assam since independence, turned a blind eye or made feeble attempts to evict removed from senior posts simply to gain popular appeal, and they could rely on hundred of there was strong results.

Many non-Assamese governments which ment servants and police officers were transferred or made feeble attempts to evict removed from senior posts simply to gain popular appeal, and there was strong resentments. they could rely on hundreds of thousands of votes.

The campaign, which was at times marred by communal viotience, was widely backed by the Assamese, who saw a threat to their ethnic culture. It culturated in the signing of the largest learned by bigger largest la culminated in the signing of the Assam Accord with Mr Gandhi, India's Prime Minister, in 1985, and the holding of elections.

The uccord included a for-

mula for detecting and evicting foreigners, revising the voters' llst, steps to improve border security, and economic aid to set up an oil refinery and improve certain industries.
Riding the crest of Assumese

peasants from East Bengal have found it easy to slip across the unguarded border and settle in the flood-prone swamps and sandbanks of the Brahmaputra to take up the reins of office. Valley. They were mainly Mos-

about 1.5m Hindus who fled from trying to sustain the chau-communal riots in East Pakis-tan in 1952 and 1964. embarrassing results.

there was strong resentment from tribal areas and the Ben-

But the Mahanta cabinet learned its biggest lesson when it realised that the central gov-ernment in Delhi was either unwilling or unable to implement the Assam Accord, which in turn led to frustration and the AGP losing its popular

appeal.

Delhi denies it is dragging its feet, but AGP figures highlight the lack of progress. Under the deal, those who entered Assain deal, those who entered Assam illegally between January 1, 1956, and March 24, 1971, would be registered as foreigners and lose their voting rights for 10 years from the date of detection. Those who came before 1956 would be granted citizenship certificates, while those entering after March 24, 1971, would be expelled.

But up to the end of last March, only 42 people had been registered as aliens and deleted from the electoral rolls out of the 286,596 inquiries begun and 9,999 cases referred to tribu-nals. And of those entering after the 1971 cut-off date, only 103 had been expelled, although there were 61;281 complaints and 6,922 cases referred to tribunals.

The Assamese say the law should be amended so that the burden of proof falls on the immigrant rather than those

immigrant rather than those pointing the finger, and more registration offices should be set up. They also want a secure border with increased patrols, watchtowers and fencing. Apart from the daunting task of identifying the illegal migrants, Delhi faces a strong Moslem and Bengali lobby warning against the harassment of minorities. There is also the problem of which state or country would be willing to accept try would be willing to accept tens of thousands of people who are evicted.

AASU leaders have decided

not to remain silent spectators any longer. They have assumed a watchdog role and growled whenever they felt the state's cause was not being upheld. Last November, AASU volun-

teers took the law into their own hands to mount an eco-nomic blockade of the neighbouring state of Nagaland in an inter-state border dispute. As police watched idly, road links were picketed to prevent food, fuel and other essentials getting through.

The students' power lay in the tacit support they received not only from the people but sometimes unofficially from the AGP government. In fact, students have become a strong pressure group in the whole of northeastern India in their campaigns for various regional

The All Bodo Students Union in Assem are now seeking a separate state for their tribe in the northern plains of the Brahmapatra valley. In Meghalay state the Khasi Students Union is pressing for the expulsion of allens, mainly Nepalese settlers. While students in Aranschal

While students in Aranachal are stepping up their campaign for a 12-point demand, including the eviction of Tibetan and Chalcan tribal refugees.

Although the Assam Accord has given Delhi a breathing space and there is relative peace and order in the state today, unless more is seen to be done to implement its political and economic terms, the measy and economic terms, the uneasy caim may not last forever.

Pretoria irked by **US** line on Angola

By Anthony Robinson in

US SUGGESTIONS that the latest round of talks in Luanda between Mr Chester Crocker, Assistant Secretary of State for African affairs and an Angolan government delegation last week had revealed greater flexibility about Cuban troop with drawals have been received with irritation by Pretoria.

Mr Charles Redman, the State Mr Charles Redman, the State
Department spokesman in
Washington reportedly said
that Angola and Cuba had
agreed for the First time on the
principle of a total withdrawal
of the 40,000 strong Cuban contingent, with the usual proviso
that for this to happen South
Africa would have to case its
support for the Finita rebel
forces led by Dr Jonas Savimbi
and grant ludependence to
Namibia under the terms of UN
Resolution 435. This calls for Resolution 435. This calls for UN supervised elections to a constituent assembly.

As it stands such a statement

As it stands such a statement of principle does not appear to move the dead-locked negotiations further although Mr Redman reportedly described it as "an important step".

Mr Pik Botha, the South African Foreign Minister said that Pretoria had not received any official details from the US about such a plan and declared huffily "I find it strenge that Dr Crocker should conduct Dr Crocker should conduct important matters of this nature through the media instead of consulting the South African Government

The Foreign Minister's statement reflects growing disillusionment with American diplomatic efforts to end the 12-year matic efforts to end the 12-year Angolan civil war and secure the re-patriation of Cuban and other Soviet bloc forces. Pretoria accepted Washington's linkage between Cuban withdrawal and Namiblan independence as it provided the perfect stalling mechanism to keep South African control over the UN trust territory.

• The South African police airlifted another 100 police reinforcement into the townships around Pietermaritzburg yesterday following a further escalation of violence and fears of pitched battles between sup-porters of the rival United Democratic Front and Inkatha movement. Police reported five more deaths yesterday after a weekend of violence in which 18 people were killed.

Mr Mahanta once led the

Centre Party is added to Israel's political flux

Egypt as an essential condition or his current peace plan for the Middle East. Nearly 70,000 Jewish settlers live in the West Bank, along with some 2,500 in the Gaza Strip, double the number in 1984 when the coefficient of ber in 1984 when the coalition middle-of the-road Shinui National Unity Government party, headed by Mr Amnon took office.

With three seats in the 120memoer Knesset, including that of Mr Rubinstein, a former Cabinet minister who resigned from same size or smaller.

At the best of times the

A NEW political party has been even with the arch-devil him-launched amid little fanfare in self, Mr Yassir Arafat of the Israel. Calling itself the Centre Palestinian Liberation Organi-

The most celebrated of the new party's founders is Mr Moshe Amirav, who was expelled a few days ago from his position on the Central Committee of Herut, Prime Minimals. ister Yitzhak Shamir's domireant right-wing faction in the Likud. His offence was to hold unauthorised indirect talks with the PLO on the basis of a Herut working paper advocat-ing a functional compromise solution for the West Bank and Gaza Strip Like Britain's Social Demo-

crat Party, this alliance of mid-dle class professionals has set out boldly "to break the mould" of Israeli politics; to fill the middle ground and gain enough seats in this November's elec-

Beirut gunmen

A MYSTERIOUS campaign against French nationals frequenting Christian areas was revived yesterday with the assassination in broad daylight of a Frenchman, the fourth in four months, police and embassy officials

Unidentified gunmen pur sued Mr Jacques Meurant, in his late 20s, as he was driving along a road passing Beirnt's Pulais de Justice towards the residential Christian neighborhood of Achrafieh. Using sileucerequipped pistols, the killers pumped several bullets into Mr Meurant.

Two French gendarmes were fatally injured last October 29 ontside an antique shop in a suburb of Christian-controlled East Beirut and another was critically wounded in a similar attack. On November 11 last year, Mr Richard Geupel, a Freuch engineer was shot and later died.

kill Frenchman

By Nora Boustany in Beirut

-last September a Jesuit priest and university rector was gunned down in Sidon.

COMMONWEALTH GROUP SEEKS PRACTICAL MEASURES

S Africa arms sanctions study

BY VICTOR MALLET IN LUSAKA

THE EIGHT Commonwealth mined. countries which took part in this week's meeting on southern Africa are convinced, unlike the British government, that sanctions are an effective weapon against apartheid.
Representatives from the

eight - Australia, Canada, Guy-ana, India, Nigeria, Tanzania, Zambls and Zimbabwe -ignored the bitter controversy over the effectiveness and the aims of economic pressure and looked instead for practical and apeedy ways to step up the

apeedy ways to step up the sanctions campaign.

After two days of discussions it appears that this committee of foreign ministers, created

the world need to be under and vague interpretations of cal.

that implementation of such a package is unlikely, has opted to take a more piecemeal approach for the time being.
Yesterday the ministers heard representations from such opponents of the South African

it appears that this committee of foreign ministers, created last year by the Commonwealth the Pan-Africanist Congress, commissioned by the ministers, last year by the Commonwealth the Pan-Africanist Congress one (known as the impact summit in Vancouver, in spite and the South West Africa study) to evaluate the effect of

the rules allowed South Africa This, the committee's first to obtain much of its military meeting, is to be followed by several more meetings before the next summit in Kuala Lumpur in 1989.

Several participants have in Mintre also singled out I speel for Mintre also single and Min Several participants have in Minty also singled out Israel for the past pressed for immediate and comprehensive economic South Africa and said the sanctions. But the Commonwealth as a whole, recognising being used by South African that implementation of such a forces in Angola were based on

US technology.

The group is likely to look favourably on his calls for improved national legislation to control arms exports and impose harsher sentences. Two other studies are being

summit in Vancouver, in spite of Britain's opposition, has already identified several areas where sanctions can be strengthened.

In particular the ministers believe that the mandatory to believe that the mandatory to tighten the mandatory to tighten the mandatory to tighten the arms embargo against and increase the penalties for links and the study) to evaluate the effect of existing senctions and work out how to tighten them, and the other to examine South Africa's financial ties to the international community. "The idea of the financial study is to learn a little more about those links and the South West Africa study) to evaluate the effect of existing senctions and work out how to tighten them, and the other to examine South Africa's financial ties to the international community. "The idea of the financial study is to learn a little more about those links are the sentence of the financial study is to learn a little more about those links." 1977 UN arms embargo against and increase the penalties for little more about those links south Africa should be tightened and that the country's A combination of outright Africa is vulnerable," says one financial links with the rest of sanctions-busting operations.

A combination of outright Africa is vulnerable," says one sanctions-busting operations.

bank leumi (uk) plc

Base Rate

Bank Leumi (UK) plc would like to announce that with effect from Tuesday 2nd February 1988 its base rate for lending is increased from 8½ per cent per annum to 9 per cent per annum.

bank leumi בבק לאומי 🛞



Coutts & Co. announce that their Base Rate is increased from 8.50% to 9.00% per annum with effect from the 2nd February, 1988 until further notice. All facilities (including regulated consumer credit agreements) with a rate linked to Coutts Base Rate will be varied accordingly.

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from Wednesday 3rd February

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to 9.00% per annum



Lloyds Bank Base Kate.

Lloyds Bank Plc has increased its Base Rate from 8.5 per cent to 9 per cent p.a. with effect from Tuesday, 2 February 1988.

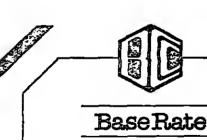
All facilities (including regulated consumer credit agreements) with a rate of interest linked to Lloyds Bank Base Rate will be varied accordingly.

The change in Base Rate will also be applied from the same date by the United Kingdom branch of The National Bank of New Zealand Limited.



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BANK OF CAEDIT AND COMMERCE INTERNATIONAL LEADENHALL STREET, LONDON ECJA JAD



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Girobank plc announces that with effect from close of business Tuesday February 2nd 1988

Base Rate

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Base Rate

With effect from Wednesday, 3rd February, 1988 Co-operative Bank Base Rate changes from 8.50% p.a. to 9.00% p.a.

37 THE CO-OPERATIVE BANK

Co-operative Bank p.l.c. P.O. Box 101, 1 Balloon St., Manchester M60 4EP. Tel.: 061 832 3456

Standard & Chartered

Base Rate

On and after 2nd February, 1988 Standard Chartered

Bank's Base Rate for lending is being

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8.50% to 9.00% Standard Chartered Bank

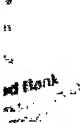
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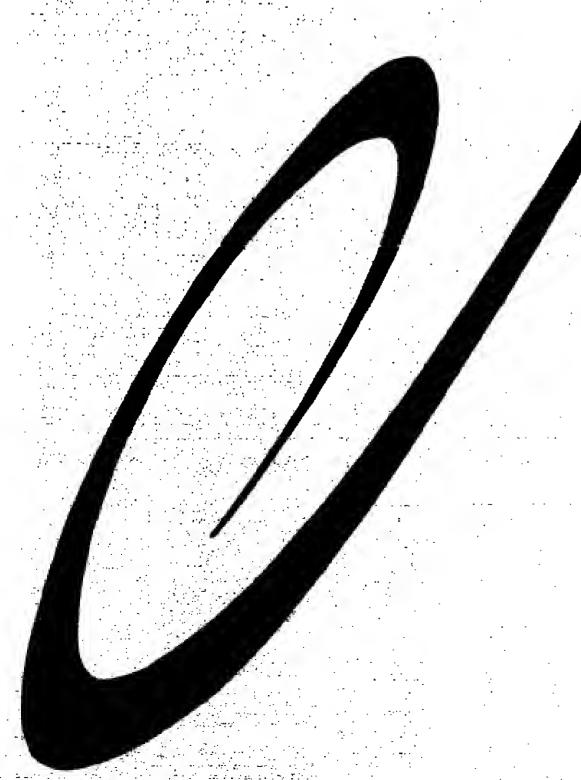
The Enterprise Initiative is the most comprehensive self-help programme on offer to British business. And its aim is both simple and straightforward. Namely, to help firms perform at their peak by improving their operation in a number of key commercial areas. There is a Marketing Initiative that can help you to identify and develop markets and sell to them profitably. A Design Initiative to help you revamp existing products or create new ones. And Quality and Manufacturing Initiatives that can help improve the standard of your products or service, as well as your current production methods.

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Other new schemes will also be introduced in April. In fact, the Enterprise Initiative will go on developing, to meet the ever-changing needs of British business. For a booklet that contains full details of the Initiatives currently available, fill in the coupon below or telephone our number; 0800 500 200. The Enterprise Initiative is there to help you. Take it.

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US and Soviet defence chiefs may meet

BY STEWART FLEMING, US EDITOR, IN WASHINGTON

MR FRANK CARLUCCI, the US Defence Secretary, is expected to meet his Soviet opposite number Mr Dmitri Yazov in Berne, Switzerland, before the end of March to discuss arms control and other issues, according to US officials.

The meeting would be a further sign of improving relations between the US and Soviet Union and between the superpower defence establishm after a long period of limited top-level contacts.

Mr Carlucci's predecessor, Mr Caspar Weinberger, never
agreed to meet Mr Yazov before
he left office in November last
later this year at the invitation

The first clear indication of chairman of the US Joint Chiefs

the defence departments came during the summit meeting between President Ronald Reagan and Mr Mikhail Gorbachev, the Soviet leader, in Washington in December.

During the summit Marshal Sergei Akhromayev, the Soviet Chief of Staff and Deputy Defence Minister, visited Mr Carlucci at the Pentagon. Marshal Akhromayev has

been one of the most influential Soviet officials in the arms control negotiations. of Admiral William Crowe,

esterday officially to confirm the widespread reports about the proposed meetings.
Some arms control experts in Washington suggest that the of deploying the controversial negotiations between the US MX missile on railroad cars and Soviet Union in Geneva on instead of in siles. a treaty to reduce long-range nuclear weapons are only mak-

ing slow progress.

The Reagan Administration has set its sights on reaching such an agreement in time for a proposed Moscow summit in the ate spring or early summer. Separately there have been signs in Washington of a possi-ble shift in US nuclear defence

In hearings on Monday on the to make Intermediate Nuclear Forces attack

Pentagon officials refused (INF) treaty signed by Mr Rea-esterday officially to confirm gan and Mr Gorbachev on Capitol Hill, Mr Carineri disclosed

Mr Carlucci reportedly feels that the silo basing of the MX makes the missile more vulner-able to Soviet attack and there-fore provides an incentive for a first strike by Moscow.

President Reagan, in one of several reversals of the policies of President Jimmy Carter, in 1981 rejected a plan to deploy MX missiles on trucks in order to make them less vulnerable to

Denartment vice and organised

crime investigator, the BGA keeps contributions and investi-gations separate. "We're not selling protection," he stresses. The BGA has often extended

its corruption investigations nationally into issues ranging

ers to kidnap their children involved in US custody dis-

being both an arm of the Demo-

cratic party and in the pocket of the Republicans," says Mr Lyons, but the BGA tries to

group's enemies are countless, it says, and Mr Brunner's friends keep asking him why he is not dead yet.

"But corruption is very, very



Reagan weighs fresh Contra concessions

over MX misule

The BGA, which claims it is unique to Chicago, is funded by industry and private contributions. Headed by Mr Terry Brunner, a former Jostice PRESIDENT Reagen was yesterday weighing fresh concessions in his campaign for Congressional approval of \$36m in new aid to the Nicaraguan Con-

The House of Representatives has scheduled a showdown vote for today. Top Democrats are confident they can defeat Mr Reagan's compromise package which includes a token \$3.6m military aid.

Opponents have insisted that US military sid would sabotage progress on a cease-fire between the Sandinista Government and the rebels, undermining the Central American peace plan. But they have raised the possiblity of a humanitarian package

The Administration argues limited military aid is needed as an insurance policy against. Sandinista bad faith. In an attempt to win over "swing votofficials said Mr Reagan might agree to let Congress have some role in deciding when the Contras could receiv

Mr Reagan was due last night to make a televised address to the nation to campaign for Contra sid but three networks said they might not air the speech

Mr Reagan has scaled back his aid request from the \$270m contemplated last summer, most of it military aid. The lower figure contains only \$3.6m lethal aid, to be held in escrow until March 31 pending an assessment of the Sandinista



AN ARGENTINE military judge yesterday released 88 non-com-missioned officers who had been arrested following last month's military rebellion at various army garrisons in the This brings to 130 the number

This brings to 130 the number of officers and NCOs that have been returned to their units since last Friday, out of the 325 that were originally arrested for having supported the nprising led by Lt Col Aldo Rico.

The military courts that are investigating the rebels have made it clear, however, that those released are under conditional liberty and are still liable to face charges for multiny and/

to face charges for mutiny and/ or insubordination. Military sources say that in assessing the responsibility of the junior ranks involved in the rebellion, three factors are lia-

ble to be taken into consider-ation: whether they acted under coercion of senior offi-cers; whether they were deceived into supporting the rebels when they thought they were supporting the loyalist forces; the rank and responsibility of the officers and NCOs involved.

Critics say this is an indication that the number of trials



resulting from the uprising are with only the top officers including Lt Col Rico, liable to face severe sanctions.
It has now been established

ment failure to reduce the fiscal

deficit and what they consider is an overvalued exchange rate.

gone to Washington armed with

proposals to reduce the fiscal deficit to 2 per cent of gross domestic product this year and

speed up a reduction of tariff barriers. He has a series of

measures already under his belt such as implementation of the

There are worrying signs of a downturn in the economy in the

months ahead. A recently-pub-lished industrial survey chowed

debt-equity swap scheme.

Mr Machinea, however, has

Argentina seeks to free \$225m standby loan

BY TIM COONE IN BUENOS AIRES

ARGENTINE central bank officials renewed negotiations in Washington this week to unblock the third \$225m tranche of a standby loan from the International Monetary Fund. Disbursement has been delayed by Argentina's failure to meet agreed macro-economic targets.

According to government offi-cials, Mr Jose Luis Machines, the central bank president, accompanied by Mr Daniel Marx, one of the bank's directors, are also to discuss govern-ment financing needs for 1988-90. This will lay the basis for a further standby loan when the current one of \$1.35bn expires this September. Financing needs for 1988 alone are unofficially estimated at

The second of the second of

that 50 per cent of companies experienced a sharp fall in sales in the last quarter of 1987 After a brief respite in

December, inflation is again imore than \$2bn... creeping up with preliminary in the be dissatisified with governers. creeping up with preliminary in the estimates for January in the region of 8-9 per cent.

Panama army strongman 'made millions'

By Lionel Sarber in Washington A FORMER senior adviser to Gen Manuel Noriega, the Panamanian military strongman, has accused him of widespread cor-ruption and converting the gov-ernment into a "criminal enter-

Mr Jose Blandon, architect of a plan backed by the Reagan Administration which attempts to move Panama towards democracy, said Gen Noriega had made millions of dollars of profits from selling passports, visas, airport landing rights and marine identification cards for seamen aboard Panamani-

an-registered ships. Mr Blandon's allegations were published in the Washington Post yesterday and are believed to match five hours of testi-mony to a federal grand jury last week that is investigating Gen Noriega's ties to the lucrative Latin American drug trade. The grand jury is expected to seek an indictment of Gen Noriega.

While it is improbable that he would voluntarily appear in a US court, an indictment could complicate White House efforts to persuade Gen Noriega to

The Blandon plan - which Gen Noriega rejected late last year -envisaged him relinquishing power in return for guarantees that he and his associates would avoid prosecution in US

courts.
There are fears in Washington that a grand jury indict-ment, while strengthening the Administration's case against Gen Noriega, could prompt him to dig in his heels and refuse to

BY DAVID BUCHAN IN BRUSSELS

day set out their political and technical priorities in negotia-

tions towards an 18-nation free trading zone by the early

tural integration.

Both Mr Martin Bangemann,

Both Mr Martin Bangemann, the West German Economy Minister representing the EC presidency, and Mr Pertti Salolainen, Trade Minister of Finland, which currently holds the Efta presidency, proclaimed pragmatism as the keyword for forth-coming negotiations between the two trading blocs.

Yesterday's joint declaration sets out negotiating priorities, which include work on technical standards, rules of origin, semiconductor patent pratection, the transparency of state

priorities for

free trade zone

MINISTERS of the European aid, public procurement, and Community and the European agricultural trade.

But Lord Cockfield, the EC

By signing a joint declaration, the EC essentially committed itself not to let its drive to create an internal barrier-free market by 1992 disrupt its large trade flows with Efta, while the six Esta members formally recognised the absolute EC priority on its own structural integration.

ognition of test certification would be easier than those of public procurement, state subsidies and services, where EC policy was still in the process of development.

Esta etates differ in the degree to which they are ready to contemplate eventual application for EC membership.

Austria. as its economic

Chicago's fight against corruption and prompted the Illinois Gen-eral Assembly to pass laws regulating medical standards at the clinics.

"CHICAGO IS definitely one of have been largely against politi-the most — if not the most — cal corruption, they have also centred on fraud in industry.

Mr Mike Lyons, the chief invesThe declared aim of the group Mr Mike Lyons, the chief investigator at the city's Better Government Association (BGA). The declared aim of the group of clergymen, editors and law-yers who set up the BGA has widened over the years. The "The best political scandals in other cities would not even make the papers here."

Set up in 1923, the BGA grew want help with an investigation of the Auth School Logical want for the control of the Auth School Logical want for the control of the Auth School Logical want for the control of the Auth School Logical want for the control of the Auth School Logical want for the control of the Auth School Logical want for the control of the Auth School want for the control of the contro

Set up in 1923, the BGA grew want help with an investiga-out of the Anti-Saloon League tion. Thus their paper or televi-at a time when prohibition laws sion station gets a first crack at had given rise to a thriving the story before it is generally racket in Chicago. Its founders embarked on a mission to bring better government to the "city on the make."

poll-watchers by Al Capone's it has continued to criticise

city elections and last year filed turned a blind eye to dangling a lawsuit in a state court alleg-wires and corroding pipes in ing that the election of an acting mayor - following the death of Mr Harold Washington - had been decided in secret and not in a public meeting as

THIRD World debtors in

1987 paid \$5.9bn more to the International Monetary

Find than they borrowed, AP-DJ reports from Washing-

\$10.2bn in repayments from

developing nations and only

Comissioner responsible for Community market integration, said progress on such issues as rules of origin and mutual recognition of test certification models to exist these of

Austria, as its economic affairs minister, Mr Robert

Graf, appeared to confirm yes-terday, is the readlest to make such a move in the long term, though the other five Efta states feel that the EC's inter-nal integration programme

makes rapprochement with Brussels vital for them.

that current negotiations, if successful, would at least reduce the economic, if not the

political, difficulties, involved in any one of their number join ing the EC.

The

Fund. .reported

released.
This relationship with the media has given the privately-funded BGA wider scope in Part private detective agency and part citizens' group with a strong bent toward the media, expose corrupt city inspectors the BGA is privately funded to the tune of some \$600,000 a lyear.

Within six months of its goans still tell the tale with awe inconting the BGA had begun the reasonable. within six months of its goans still tell the tale with awe inception, the BGA had begun ten years after it happened.

This involved setting up the to investigate massive vote This involved setting up the fraud in Chicago elections, Mirage Tavern with a newspaincluding the intimidation of per and television crew. The cameras filmed from behind a double glass door as a succession of city building inspectors

> cheating it had not even expected, attracting state liquor inspectors who demanded cash

\$4.3bn in new loans last

year. A source said most countries that made heavy repayments, such as South

Korea and South Africa, did

not need new money. Others

auch as Brazil - the Third World's biggest debtor : and

Yugoslavia have sought

Repayments to IMF top

Deborah Hargreaves reports on a not-so-positive test of integrity

took half of the machine's weekly income without declaring it for tax and accountants specialising in keeping two sets

We've been accused of being we we been accused of being inductionally into issues ranging the champion of lost causes," from the scrutiny of the explains Mr Lyons' BGA chief finances of a Supreme Court investigator, "but we try to provide an investigation, where ment aid for Norwegian government and for Norwegian moththere is no other medium for people to complain. Back in the 1970s, this led putes. the BGA to look into several "Our critics accuse us of

Chicago-area abortion clinics, which had been accused of performing abortions on women who were not pregnant as well as incompetent medical work remain non-partisan. on those that were. "We sent in a urine sample from a 6ft 4in, bearded investigator and the return for payoffs. result came bar The bar bore witness to recalls Mr Lyons. result came back positive,"

At the time, women who were costly to the city and people are dissatisfied with service at the aware of that, especially in Chiclinics were too embarrassed to cago." This is what keeps busitate law requires.

for liquor law violations, a speak out. The investigation, While the BGA's crusades vending machine operator who however, closed three clinics

Many countries have been

reluctant to seek the Fund'a

help because of atrict condi-

tions attached to IMF loans.

the Fund amounted to \$38.6bn at the end of 1987.

The Fund's monthly IMF.

Loans ontstanding from

major new loans.

en supporting the organisaton, Mr Lyons stresses. loans by \$5.9bn in 1987 memorandum stated that its repayment surplus was due to big receipts from 10 countries: South Kores, Bra-

zil, India, South Africa, Yugoslavia, Turkey, Pakis-tan, Hungary, Bomania andgovernment's compliance with the Central American peace Portugal. Some borrowed heavily in the early 1980s

WORLD TRADE NEWS

Jim Bodgener in Ankara on a project which many doubt will come to fruition Iran plans for oil outlet through Turkey

oil pipeline through Turkey has produced an additional twist to Ankara's delicate balancing act

year old scheme has started to move seriously. But sceptical diplomats still doubt whether there is any new urgency behind the project, despite the fact that international bids are

to be invited from companies

early this month for basic engi-

neering studies.

between its warring neigh-Senior officials of Botas, Turkey'e state pipeline agency, are adamant that the sluggish, 30-

The agreement follows a visit to Algeria by Turkey's Presi-dent Kenan Evren in mid-Janu-

Purchases of the gas by Turkish state pipeline agency Botas fram Algeria's Sonatrach will start in 1992.

supplies to as many as possible of Turkey'e main cities and towns during its second term of

to serve as a replacement for the Soviet gas in case disputes arise with Moscow.

The commission also decided that both countries should aim for a bilateral trade volume of Sibn annually.

 Two joint venture companies to operate in both countries and third countries will be estabof the first session.

In December, when the panel lished, one an industrial and financial concern, and the other a commercial operation. The

reached in January between a short-term exigency, made Tehran and Ankara to build an necessary by the impact of the tanker war in the Gulf on Ira-nian exports. Botas officials say that Tehran wants the pipeine to provide cheaper long-term access to European markets than loading at the main Kharg Island terminal in

the Gulf. Discussions for an Iranian gas export line through Turkey are far less advanced, say the offi-ciale. The two aides are still working on a marketing survey for the potential demand in Turkey. At a further and more distant stage, the gas line would be extended to Europe,

The pipeline, estimated to cost around \$2.6bn, has become a long-standing ploy in relations between Ankara and Tehran, they say. According to this view, the signing of an interim protocol between relatively low renking legaler and Turkish they say.

Another development tending to support scepticism about the trans-Turkey crude line is the revival since late last year by Tehran of a second export pipeline scheme down the Gulf. This is a chort-term expedient to avoid the Gulf war. A contract valued at around \$1.5bn to build a 380-km line was nearly awarded before the scheme was ehelved about two years ago. Now contracting sources say that Tehran may be close to making an award to Italy's Sai-

Tehran may want to make political capital out of the trans-Turkey project, neverthe-less, say observers. It may have acceded to Turkish preseure temporarily in order to bolster signing the protocol, a senior against provocation from the Iranian official stressed that recent advances of Iranian-

Ankara TURKEY. DORTYOL Tehran SYRIA IRAQ IRAN Baghdad •

of Iranian revolutionary guards attempting to cross Turkish territory to join the guerrillas. Promoting the pipeline scheme pared with 1.33mt in January-ls therefore an apt balance weight for Tehran.

Turkey for long has sought to tie the Iranians down to a firm commitment to the export line,

backed Kurdish guerrillas in Iraq towards Iraq's export source of lucrative transit fees. Boyalties from the Iraqi pipelines.

These also terminate in Turkey, at Yumurtalik-just across one of the wealthiest government agencies in Turkey.

Dortyol, and with a capacity of 1.5m b/d are Iraq's main export lifelines. Turkish security forces are increasingly intercepting and repatristing bands

which when built will be a advantage while Tehran is in a receptive mood.

A team from Botas has been negotiating hard detalls like financing and transit fees. These are the most difficult hurdles to overcome. Botas officials say the pipeline could be finenced on cash terms, credit or through oil-harter, or maybe a mixture of all three. Negotiating a transit fee acceptable to Iran could prove to be the large-

ting a transit fee acceptable to Iran could prove to be the largest stumbling block.

Whatever the scepticism therefore, the pipelins looks set to be high on the agends when Mr Ali Akbar Velsyati, the Iranlan Foreign Minister, visits Ankara on February 15. Turkish officials say that both sides want to iron out all the details of a firm agreement by the time of a firm agreement by the time of a firm agreement by the time Mr Turgut Ozal, the Turkish prime minister, visits Tehran in March, so that a final accord committing both governments to actual construction can be signed. Whether that will be in the short medium on the time. the short, medium or long term is still a moot point, the Botas

is still a moot point, the Botas officials concede.
Ironically, construction may start sooner on a third export plpeline through Turkey for Iraq. This 300,000 b/d line will run between Iraq's Ainzale fields and Turkey's Batman refinery, from where an export line already runs to Dortyol. Technical studies started in January, and given the rapid progress on other Iraq' export lines, construction tenders could be invited by the second half of the year.

Fresh delay in start-up of Caricom trade bank

These negotiations will start the two trading blocs.

These negotiations will start the two trading blocs.

The Finnish trade minister said yesterday he could not apeak for any of bis Efta colleagues on possible EC membership. But Efta officials argue that covered to the control of the cont

munity's efforts to launch a to third-country markets. \$16.5m (\$9.1m) bank this month to finance trade have been delayed because of diffi-culty in obtaining backing from financial institutions. Officials say they expect the bank to begin operations in the

nally planned to begin operations wanted to see the new banking last year with capital of functioning before they com375m, but this could not be mitted themselves.

is needed to halt a five-year decline in the value of trade has reported that the value of between its members. It is proposed that the bank provides last year was 1.4 per cent pre- and post-shipment financhigher than the corresponding ing for intra-regional trade, and

THE Caribbean Economic Com- for exports from member-states

Community member-governments are to provide \$11.5m, with \$3m from the Caribbean Development Bank and the remainder from the private sec-

summer.

Officials of community govlt is the second time start-up
has been delayed. It was originational financial institutions

The value of trade within the The community, comprising Caribbean community fell by 33 13 English-speaking countries per cent in 1986 to \$290m,less in the Caribbean, says the bank than half the 1981 level.

EC and Efta list Turkey and Algeria in LNG accord

TURKEY has reached agreement with Algeria for the import of 40m cubic metres of llquefied natural gas over the next 20 years, according to the semi-official Anatolian Newsa-

The scheme to import Algerian gas will involve the construction over three years of an import and processing terminal at Eregli on the Sea of Mar-

From here, a pipeline will be built to connect with another pipeline being built from the Bulgarian border up to Ankara for imports of Soviet natural

Botas officials stress that the Algerian gas will supplement Soviet supplies - which will rise to 6bn cubic metres annually in the 1990s - at times of peak Turkey's south-east coast, and The Turkish government has pledged to extend natural gas supplies to as many as possible

Botas officials deny that Algerian imports are intended

Agreement on Algerian gas imports permits Botas to invite construction tenders for the Eregli complex and pipeline. Designs have already been drawn up for the project, and a drawn up for the project, and a preliminary short-list of bid-ders has been formulated.

Japan to lift curbs on 10 farm products

BY WILLIAM DULLPORCE IN GENEVA

APAN yesterday accepted a ruling by a Gatt disputes panel that it should lift import restrictions on 10 categories of farm products.
But it created some confusion

will have a capacity of 1m bar-

Iranian embassy officials in Ankara say that the latest ini-

tiative came from the Turkish government, not Tehran. When

rels a day.

about its intentions by saying it would implement all the panel's findings except those covering starch and milk powder. The Japanese were immediately challenged to clarify their statement in the Gatt council but had not done so by the end

ruled in favour of a US com-plaint, Japan agreed to remove a commercial operation. The two sides also agreed to develop shipping, technical, scientific, and communications co-operation.

Mr Evren's visit was aimed at removing ill-feeling in Algiers caused by laggardly Turkish recognition of the government of President Chadli Benjedid in 1979.

GATT has for the first time this week published a secretariat report to the Gatt council on the state of the world trading system, William Dullforce writes. Hitherto, the twice-yearly reviews of governments'

trade policy actions and protectionist measures have

 cheese, lactose, dairy prepara-tions, sugared food prepara-tions, processed beef, tomato juices, tomato sauce and ketchup and to pay compensation for continuing restrictions on starch and powdered milk. However, in its initial statement Japan made no mention of compensation.
In other council business, the

US accepted a disputes panel the report.

It had been assumed that fee it introduced last year.

Tokyo would this week agree to lift quotas in eight-commodities a joint complaint by the Euro-

been regarded as internal documents. From now on, they will be made public. The report covers the period from April to September 1987, and details 135 so-called "grey area" measures taken by governments which were inconsistent with Gatt rules.

pean Community and Canada that the fee charged was not commensurate with the real costs of processing imports. It was being applied for protec-tionist reasons or to cover services not directly related to the processing of imports, the two

at 0.22 per cent of the value of the goods imported, raised \$536m in the first 10 months of

said the administration would submit a legislative proposal to Stipmi a legislative proposal to Congress in the spring so that the fee would conform with the panel's ruling. He hoped it would be enacted by October.

Canada agreed yesterday that a panel report on a dispute with the EC over the marketing of alcoholic drinks by its provincial liquor boards should be circulated to Gatt members and come up for adoption at the next Gatt council.

The panel has supported the EC claim that its exports of alcoholic drinks were being a hurt because Canadian provincial liquor boards mark up their prices in contravention of Gatt of Concessions on the issue reports from Peking.

Zheng Tuobin, China's trade minister, told Mr Clayton Yentter, US Trade Representative, that China was "willing to increase imports from the US, particularly bigh-tech praducts", but had been frustrated by US restrictions.

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with the EC over the marketing
of alcoholic drinks by its provincial liquor boards should be
implementations, Robert T
reparts, Robert T
reparts

countries argued.

The fee, which was charged

China urges US to ease high-tech curbs

CHINA yesterday urged the US to end "some irrational practices" regarding high-technology transfer, to improve trade relations, Robert Thomson

Concessions on the issue Mr Yeutter and Zheng also negotiated with the Canadian signed a bilateral textile agreenegotiated with the Canadian signed a buateral textue agree-government had been nullified or impaired by provincial regulations and practices, the EC the US to 3 per cent annually for the next four years.

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In accordance with the provisions of Clause 6(G) of the Trust Deed, dated 20th June, 1986 between Brurssgold Australia (Cayman Islands) Limited, Brurswick N.L., Normandy Resources NL and The Law Debenture Trust Corporation p.l.c., notice is hereby given to the holders of the U.S. \$4,200,000 4½% Secured Series A Bonds due 1994 and to the holders of the U.S. \$4,200,000 4½% Secured Series B Bonds due 1994 that Normandy Resources NL will be irrevocably released on 23rd March, 1988, from its obligation to guarantee the exchange by Brunswick N.L. of Bonds for gold idefined in the Trust Deed as the "Exchange Rights Guarantee"). Condition 3, Clause 6(G) of the Trust Deed provides that Normandy Resourcas NL shall be released from the Exchange Rights Guarantee if the Consolidated Tangible Net Worth of Brunswick N.L. exceeds A.\$ 60,000,000 and all emounts due under the Exchange Rights Guarantee in respect of the Bonds have been paid in full. These conditions were mer as of 24th December 1967. Prior to these conditions being met no notice had been given by the Trustee bringing the Exchange Rights Guarantee into effect in accordance with the provisions of Condition 4(b), Clause 14(D) of the Trust Deed.

February 3, 1988

Public Notices

THE BROKEN HILL PROPRIETARY COMPANY LIMITED



Notice of Meeting

Notice is hereby given that an Extraordinery General Meeting of The Broken Hill Proprietary Company Limited will be held in the Basement, BHP House, 140 William Street, Melbourne on Thursday 25 February 1988 at 9.30a.m.

Special Business

To consider and, if deemed fit, page the following as an ordinary

(a) the Share Purchase Deed referred to in the deed between the Company and Bell Resources Ltd dated 21 January 1988;
(b) the deed between the Company, Michael Robert Hamilton Holmes à Court, Bell Resources Ltd, and The Bell Group Ltd

dated 21 January 1988; the Agreement referred to in the deed between the Company, EldersIXL Limited and Beswick Pty Ltddated 21 January 1988; and the Securities Sale Agreement between the Company, Hafflir Pty Limited, Yolla Pty Limited, Inar Pty Limited and John Dorman

Efflort dated 21 January 1988 and the letter agreement between the Company and Harlin Pty Limited of the same date, each in the form tabled by the Chairman at the meeting be approved, and that each purchase, allotment or disposal of shares pursuant

thereto be agreed to:

By order of the Board MJ JANES, Secretary 27 January 1988

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MANAGEMENT **EDUCATION AND** TRAINING

Publication date 22 March 1988 Copy Date 8 March 1988

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FT LAW REPORTS

Partners' moving expenses are tax deductible by firm

MacKINLAY V ARTHUR
YOUNG McCLELLAND
MOORES & CO
Court of Appeal (Lord Justice
Slade, Lord Justice Balcombe

and Lord Justice Stocker): January 29 1988

A FIRM'S contribution to a partner's removal expenses is deductible from its taxable profits irrespective of whether he benefited per-sonally, if its collective purpose in making the payment was wholly and exclusively to benefit its business.

The Court of Appeal so held when allowing an eppeal by Arthur Young McClelland Moores & Co, a firm of char-tered accountants, from Mr Justice Vinelott's decision on an appeal by the Revenue from Special Commissioners, that its contributions to partners' house moving expenses were not tax deductible.

Section 130 of the Income and Corporation Taxes Act 1970 provided: "In computtog...profits...to be charged under...Case II of Schedule D no sums shall be deducted in respect of - (a) any disbursements or expenses, not being money wholly and exclusively laid out or expended for the purposes of the trade, profession or vocation. LORD JUSTICE SLADE said

that the firm had 95 partners and 1,400 employees. It had 15 offices in various parts of England and Scotland. The Special Commissioners found that it was the firm's policy that any partner or

employee might be requested to move for the beoefit of its business. To make that policy acceptable, the firm made a substantial contribution towards removal costs. During the accounting period May 1 1979 to April 30 1980, the firm incurred expenditure of £8,568 on the

relocation expenses of two partners, Mr Wilson and Mr Mr Wilson moved from Lon-don to Southampton and Mr Cooper moved from Newcastle to Bristol. Neither partner would have moved had his relocation expenses not been borne by the firm.

Section 130 of the Income and Corporation Taxes Act 1970, then in force, provided that in computing the profits

not deductible if they were not wholly and exclusively laid out for the purposes of the profession.

Section 152 provided that ried on by two or more persons jointly "a joint assess-ment shall be made in the partnership name."

The commissioners held that the £8,565 expenses reimbursed to Mr Wilson and Mr Cooper were wholly and exclusively laid out for the purpose of the firm's profession, and were therefore deductible in arriving at its taxable profits.

An appeal by the Revenue was allowed by Mr Justice Vinelott.

his decision the question was whether the commissioners' findings of fact entitled them to infer that the expenditure was wholly and exclusively incurred for the purposes of the firm's profession.

Before Mailaties v Drum-

mond [1983] 2 AC 861 it was believed that in ascertaining the purpose of expenditure, the spender's state of mind was the only relevant factor.

In Mallalieu, which con-cerned the right of a female berrister to deduct the cost of court clothing, the House of Lords decisively rejected that view of the law.

They considered that no inquiry into the taxpayer's mind was necessary "in obvious cases which speak for themselves. They held that the case fell into that category because it was inescap-able that one object of the expenditure was the provision of clothing "needed as a human being." On the present appeal Mr

Moses for the Revenue sub-mitted that expenses incurred by an individual in moving house could never be incurred "wholly and exclusively" for business purposes. He said the very nature of the expenditure, as serving in part to meet a human need, obliged the commissioners to hold that it was incurred at least

in part for private purposes.

Mr Justice Vinelott gave a
helpful description of the of an individual trader would be treated as serving a dual purpose, could not in the case of a large partnership be three stages involved in assessing partnership profits

must be ascertained. Second, the firm's income for the year was then treated as divided between the partners. Third, the tax payable was calculated according to the circumstances of each partner, ie, after taking account of any personal allowances, reliefs or deductions to which he was entitled, and any higher rate of tax for which he was

The authorities showed that at least for the purpose of conducting the first stage, a partnership was to be treated as a separate entity from the partners, and it could therefore incur a deductible expense though the recipient was one of its members.

Heastie (1933) 18 TC 305 and Watson-Everitt 18 TC 402 firm could not be treated as an expense. Conversely, however, a payment to a partner other than for services to the firm, was treated as an expense. Whether it passed the "wholly and exclusively"

test was another matter. The payments to Mr Wilson and Mr Cooper could not be regarded as payments for ser-vices rendered to the firm in their capacity as partners. They clearly fell to be deducted in ascertaining partnership profits at the first of Mr Justice Vinelott's three

The question was whether section 130 precluded them from being deductible at the

third stage.
The effect of section 130(a) must be to exclude money spent by the firm unless it could establish it was spent exclusively for the purposes of its profession as a firm of chartered accountants. Unless the taxpayer and the

person benefiting from the expenditure were the same person, it was the taxpayer's bject, not the beneficiary's, which had to be ascertained.

Mr Justice Vinelott concluded that the commissioners' decision was insupportable, on the basis that expenditure which in the case

of a profession within Case II First, the profits of the firm, treated as wholly and exclusion of Schedule D, expenses were not of the individual partners, sively for the firm as a sepanate of the individual partners, sively for the firm as a sepanate of the individual partners. rate entity.

The analogy between the sole trader and a partnership in which one partner was the beneficiary was misleading

Section 130(a) directed attention to the object of the spender, not the recipient. In the case of a sole trader it was impossible to differentiate between the objects of the taxpayer as spender and as

In the case of a partnership, In the case of a partnership, where the payer and the beneficiary were not the same, it was possible (as it was not in Mollaticu) to evaluate the payer's objects separately from those of the beneficiary.

Where the payer was a partnership, save where the nature of the expenditure established or illustrated that a payment made to a partner application of section 130(a) for services rendered to his required the Revenue to ascertain the purpose of theexpenditure, at least primarily, by the partnership's collective purpose in incurring

An inquiry into the sepa-rate minds of 95 partners was impractical and inappropriate. It was the collective purpose of the partnership as a whole which had to be ascer-

There was no reason why a payment to a partner, which happened partly to meet his human needs, should necessarily fall foul of section 130.

Having regard to their find-ings of fact, the commissioners were well entitled to draw the inference that the expenses were incurred wholly and exclusively for the purposes of the firm's profession, and to regard the benefits received by Mr Wilson and Mr Cooper as merely incidental to the achievement of those purposes.

The appeal was allowed. Lord Justice Balcombe and Lord Justice Stocker con-

For the Revenue: Alan Moses (Inland Revenue solicitor) For the firm: Andrew Park QC (McKenna & Co)

Rachel Davies

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TECHNOLOGY

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tor manufacturers are among the biggest users of CFCs. The AT&T expects to be able to chemicals are widely used as reduce its use of CFCs by a solvents to remove soldering quarter to a third over the flux residues from electronic next two years.
components, especially on "Bioact is not a cure-all," advanced surface mount cir- concedes David R. Chittick, cuit designs such as those AT&T Vice President. But he used in most personal combelieves the new solvent will

The problem of replacing tion toward enabling electron-

Currently, Bioact EC-7 can the earth's ozone layer was be used to clean only those ectronics products that can be immersed in water during manufacturing. This will limit its use to some extent because - pine tree bark and other wood some types of integrated cir-

waste products.
Called Bioact EC-7, the biodunking. "We are trying to assess how widely applicable Bioact may be," says Bud Ward, director of environmental and occupational health at the American Electronics Association. "It almost sounds too good to be true ... and it may be," he cautions.

Nevertheless, be suggests that the AT&T announcement does demonstrate that industrial users of CFCs need to look beyond conventional sources to find solutions to

cuits cannot withstand such a

the CFC problem. Despite its apparent limita-tions, AT&T's announcement has been hailed by environmentalists and by the US Environmental Protection Agency as a major step for-

WE'RE TRYING TO CAPTURE THE COMPANY'S NEW ENVIRONMENTALLY CARING IMAGE

ward. "This is going to make foams, can last a century in it possible to speed up the phaseout of CFCs, says David Doniger of the Natural Resources Defense Council. CFC compounds, which are

the atmosphere before breaking up to liberate chlorine. Scientists believe this chlorine can attack the ozone layer which shleids the earth also used in refrigeration and against harmful ultra-viole the manufacture of plastic rays from the sun.

WORTH WATCHING Edited by Geoffrey Charlish

US heads for \$3bn smart card jackpot

THE MARKET for smart cards and associated equip-ment in the US will reach nearly \$3bn in 1992, according to a new survey by Smart Card Reports, a division of the Palo Alto Management Group in the

The cards were slow to catch on after their development in the late 1970s. But the US market has begun to grow and the cards are already quite widely used in France, where they were invented.

Japan is also rapidly adopting the technology. It will spend \$25bn on cards and equipment in 1995, according to the Japanese Electronic Machinery Asso-

Smart cards look like ordinary credit cards. However, they contain microprocessor and memory chips and are much more versatile than their simple plastic counterparts.

For example, a financial card can accumulate all the user's transactions as they occur, without the need to go on line to a central computer (which normally holds all auch data).

In a major US project, the Department of Agriculture is issuing cards to 56,000 peanut farmers. The cards will be used to manage the Department's subsidy programme. They will contain each farmer's quota and current sales data. When a sale is made, the card will be updated and the latest position sent to the Depart-

ment. It will thus be possible to know the status of the entire subsidy programme at any moment.

The study undertaken by the Palo Alto Management Group, "Smart Card Trends and Opportunities", is available in Europe from International Planning Informa-tion (IPI), Copenhagen, and costs \$1,995.

Swiss water down oil rig lubrication

SULZER, THE Swiss engineering group, has successfully tested an offshore oilfield injection pump that has silicon carbide bearings lubricated by sea water. Injection pumps are used to force sea water into the oil wells to push out the oil.

The important advantage of the Sulzer pump is that it does away with the need for a separate lubrication system and the necessity for oil seals.

The weight saving over pumps of similar power (1.7 megawatts) can be up to six tonnes. In eddition the absence of a separate lubrication system has cut the overall length by 26 per cent and reduced the cost of the pump.

Since silicon carbide is one of the hardest substances known, failure and replacement of the bearings is unlikely, and the pump can be left to run almost indefinitely on the sea bed.

The road to guicker property valuations

PROPERTY VALUERS on the staff of Cheltenham and Gloucester Building Society in the UK now have Sharp facsimile machines and Motorola cellular radios in their cars. Thus, a branch can fax valuation instructions direct to valuers on the road. They can then get to a property quickly, inspect it and immediately fax the results back to the

The idea is to speed np services to mortgage customers in this increasingly

competitive market. The society says the only major delay remaining is in erty. The quickest valuation time so far is two hours.

An advantage of the

machines is that they can be removed from the car when necessary and connected to the valuer's home phone.

Australia seeks out stronger plywoods

IN AUSTRALIA, the Commonwealth Scientific and Industrial Research Organisation (CSIRO) - in conjunction with Monsanto Australia - ls developing waterproof, strong and durable new plywoods from native timber.

The plywoods will be laminated with a patented phe-nolic adhesive and will be made from veneers of dense eucalypts such as Blackbutt and Flooded Gum.

Current phenolic binders tend to soak rapidly into these woods, producing weak lamination and poor performance outdoors. The new adhesive, experimentaily superior, is being developed for commercia use, and Monsanto expects

The new plywoods have sufficient strength and stiffness to allow their use in new msrkets. Csrgo freight containers, for example, would be lighter than steel designs, according to CSIRO. There are also several building construc-tion applications to which the new plywoods could be

Australia sees a need to use these woods because supplies of the preferred rain-forest hardwoods will dwindle as governments address the atmospheric de-oxygenation problem that is growing globally with intensive felling in the major rain-forests.

put.

Cool Swedes speed glass production

AGA, the Swedish industrial gas company, has achieved an 18 per cent increase in the speed of lass container production. It has done this by utilising liquid nitrogen to cool the blowing air used in manufacturing the containers.

The method, called Cryo-Glass Technology, can be installed without interrupting production. Installation and running costs are such that production increases of only three to five per cent are enough for the system to pay for itself within one

The technique is uncom-plicated. At the final blow-ing stage, cold air cooled by the liquid nitrogen is blown into the bottles. The amount of nitrogen is automatically regulated to keep the blowing temperature constant. Each bottle stabilises more quickly, by being cooled both inside and out, and allows the next bottle to be moulded sooner.

CONTACTS: IPI: Denmark. 2 632044, Sulzer: UK office, 0252 522262, Chohen-ham and Gloucester Building Society: UK, 0242 36161, CSIRO: Australia 2 467 6211, AGA: Sweden, 8 731 1000.

BY LOUISE KEHOE IN SAN FRANCISCO

AN IMPORTANT step toward of the chemicals in depleting

The company says it has degradable solvent is proidentified and begun to use an duced by Petroferm Inc of alternative solvent in its electronic circuit board manufac. All components of Bioact turing plants and is offering EC-7 are either generally to provide the technical regarded as safe or are actuknow-how to other electronics ally authorised in the US as companies. ally authorised in the US as indirect food additives, Petro-

Electronics and semiconduc- ferm says. puters.

the chemicals in electronics ics companies to reduce their manufacturing has been a use of ozone-damaging chemi-

BILL LUPIEN matched his

Evangelist of live-wire dealing

make an important contribu-

skills as a securities dealer against a computer in 1968 and thrasbed it soundly. electronic stock market much to the chagrin of its designers. Since then his life has been a crusade to bring automation to the world's

stock markets. · He is best known as the chairman and chief executive officer of Instinct, a US com-pany which developed and investors," says Lupien. He accepts that his ideas markets an automated stock dealing system - in effect, an electronic market place in competition with established exchanges. It is used by some 300 broker/dealers and more

than 100 major financial institutions in the US. Last December, Reuters, the world's largest electronic publisher, agreed to acquire Instinet in a deal which values the US company at £71m (\$102m). Within days of the agreement, Lupien announced

Alan Cane interviews a pioneer of the

novel and advanced trading software designed "to take advantage of the short-term inefficiencies in the securities markets for large institutional

will prove unpopular with established dealers. "They will not like this," he says. "It will give enormous advantages to outsiders." But he is used to fighting his corner.

When he helped develop an automated small order trading system for the Pacific Stock Exchange, one specialist (market maker) brought a large pair of shears onto the floor of the exchange and ceremonially cut the wires to the terminal in his booth. Other

floor traders cheered. In March thus year, when he is free of Instinct, he intends to establish a new venture. As yet unnamed, this will market list for computer-based trad-

ing through practice rather than training. He learned floor trading with the Pacific Exchange, going from clerk to president of the Los Angelesased member firm Mitchum Jones Templeton in only eight

Despite the mass of electronic gadgetry which characterises dealing rooms worldwide, Lupien argues that the use of technology in financial markets is nowhere near the ultimate.

He believes that dealers will talk to their dealing systems and hear a spoken response within a year or two. And he thinks that all the millions of dollars being poured into artificial intelligence in the US and Europe will soon start to pay off in the dealing rooms. Artificial intelligence gives computers the ability make human-like indgments.

His own software, which he hopes to have on the market by the end of the year, will eventually incorporate intelligence enabling it to learn from its mistakes.

Mazak lifts versatility of machine tool control

BY RICHARD TOMPKINS, MIDLANDS CORRESPONDENT

The Mazatrol M32 incorpo-rates dual 32-bit microproces-One innovation is a functi sors which are said to give it which enables cutter paths much higher levels of efficiency than other models. Ulated at the same time as a Mazak says the result is a productivity gain of up to 30 per cent over conventional is that acceleration and decel CNC (computer numerically eration of the servo motors is

controlled) systems. The 32-bit microprocessors not only permit extremely times.

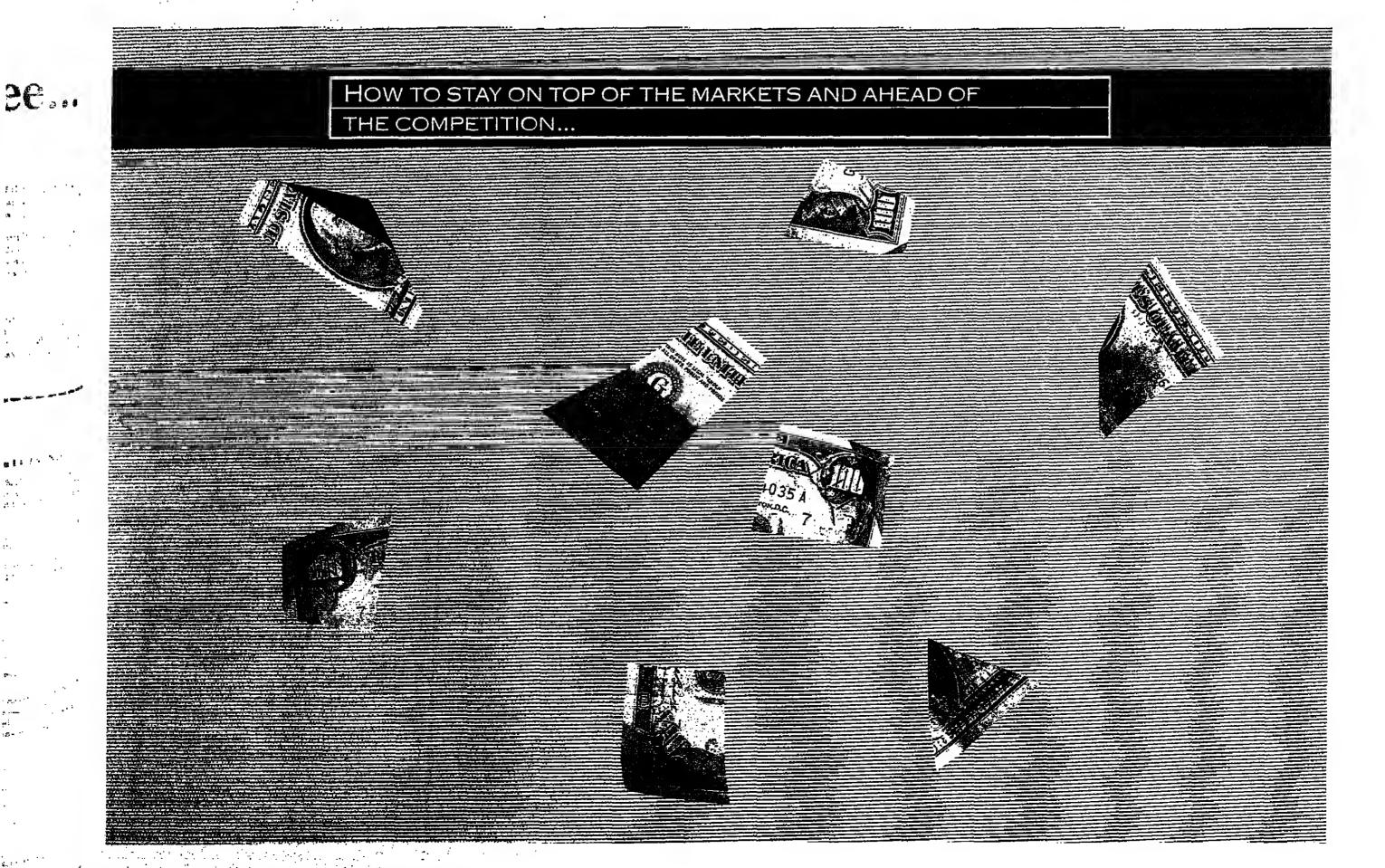
Yamazaki Mazak, the Japa- paths are carried ont more week held the UK launch of processor is dealing with calwhat it claims to be the most intelligent machine tool control system in the world.

The Moretten Walls and processor is dealing with calculations, the other can be intelligent machine tool concontrolling the machining to operation, so leading to

One innovation is a function workpiece is being machined. Another time-saving feature more closely controlled, so leading to shorter tool-change

high processing speeds, but also, because they operate in was held at Mazak's European The UK launch of the M32 tandem, enable various manufacturing plant which operations to be performed opened last year in Worces-simultaneously.

Mazak says the M32 calcuthe M32 is being made lates five times more quickly entirely in Japan. The system than earlier interactive is now fitted as standard to systems. This means that all Mazak machining centres, functions such as tapping, and the UK subsidiary cutting of difficult shapes and expects it to help its sales selection of optimum cutting drive into Europe.



There is no such thing as a no strike agreement - Peter Wickens. Personnel Director, Nissan Motor

Manufacturing (UK)

People don't know where to put
their hands when they're guiding
you. They sometimes touch bare flesh - Diana, Princess of Wales

Sandwiched between the [then] leader of the Social Democratic Party and the Princess of Wales in The Observer newspaper's Quotations of the Week was the phrase uttered by both Nissan and the AEU at the press conference announcing the signing of the single union agreement.

Anticipating the direction of media interest, the company's press statement included the comment: "Tha agreement also provides that during the course of soch negotiations, conciliation or arbitration, there will be no inoustrial action but neither Nissan nor the AEU see this as a 'no-strike agreement'. Reference to arbi-tration is not 100 per cent automatic but what we are attempting to do is to eliminate the need for industrial

Nissan met the trade unions against this background of change and debate. The company was clear as to its intentions and objectives and felt it important that everyone understood that it was not trying to usurp the traditional role of trade

While we would have been happy to have what could be described as a 100 per cent cast iron guarantee of no industrial action It was, we felt, more important to achieve an agreement which could be honoured by all concerned than one which gave everything but which might collapse

the first time it was tested.
In addition to this we felt it important that as ACAS would be involved in the procedure then the ACAS views should be taken into account. Clearly ACAS has a preference for conciliation before arbitration and, as experience has shown, will try to conciliate before arbitration even when the reference is initially concerned with the latter.

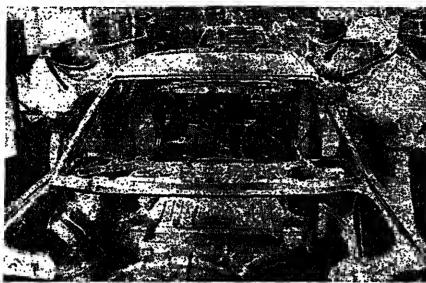
In providing for conciliation it was a major concern of all parties that neither the company nor the union should "keep something up its sleeve for coociliation" - either the company a concession it could afford or the union a claim it was willing to forego. Such attitudes would destroy the spirit of the agreement.

The eventual wording of the negotiations paragraph of the agreement was particularly precise: "The company and the union are totally company and the union are totally committed to resolving such negotiations within the company council. Howthis is not possible, the outstanding matters will be referred to the Advisory Conciliation and Arbitration Service for resolution."

The key phrases in this context are "totaliy committed", and "in excep-tional circumstances". Thus both par-

The single union structure which Nissan UK negotiated for its in-house negotiations and subsequent Washington car plant, outlined on Monday's page, is often cited as an example of a no-strike deal. The company's personnel the final step to arbitration, there is director, Peter Wickens, gives his own view of the reality

Committed to the in-house spirit



Nissan's Washington plant: a par

ties were agreed that they would genuinely attempt on all occasions to resolve matters in-house without reference to ACAS. Reference to ACAS on any occasioo is regarded as unde-airable and would be an indication that people had not worked hard enough to resolve the issues in-house.

In themselves such phrases do not prevent a reference to ACAS but if such a reference is used too frequently then clearly ACAS itself might choose to draw to the attention of the parties that not only the spirit but also the letter of the agreement was not being fully hocoured. The paragraph continues: "In the

event of conciliation not producing a solution both parties may agree to arbitration. The arbitrator will be equired to determine positively in favour of one side or the other. The arbitrator will be asked to take account of those aspects which are already agreed. Both parties agree to accept the decision of the arbitrator . . . During the course of such negotiations, conciliation or arbitration there will be no industrial

Thus the intention of both the company and the AEU is that in the exceptional circumstances of oon-resolution in-house there will be automatic reference to ACAS for concilia-

Appreciating that the subject of the reference might be complex and that the two parties might simply

need their collective heads knocking

together for something sensible to fall out it was felt that conciliation

was the best method of achieving

At the very least conciliation would give ACAS a better under-standing of the issues involved and help clarify those aspects which need to go through to arbitration. It might even help establish a balance of claims and offers so that a complex package claim can be more effec-tively handled. At its best, conciliation might resolve the problem by a third party looking at the issues in a way that was not obvious to the committed parties.

What would be a failure, however would be the company "finding" another one per cent at the concilia-tion stage. This would lead to virtual automatic future reference to conciliation particularly if employees perceived that they had nothing to lose and possibly something to gain -especially if precluded by the agree-ment from taking industrial action at this stage.

The agreement, while also provid-ing that reference to ACAS will be "for resolution", also implicitly recog-nised that this might not always be possible at the conciliation stage. The key wording here was: "In the event of conciliation not producing a solu-tion both parties may agree to arbi-

While, having gone through the

no compulsion in the agreement for them to do so.

It needs the agreement of both the company and the union to take that step to pendulum arbitration with prior commitment to accept the deci-

It follows then that the Nissan-AEU procedure agreement can end after the conciliation phase. If this is the case, and it is the union that does not wish to proceed, industrial action taken at this time would be constitutional. It is in this specific as well as the general sense that the Nissan-AEU agreement cannot be described as a "no strike deal".

So-called "no strike" deals are, and will remain, rare. An Engineering Employers' Federation study of industrial relations at shop floor level found that 52 out of 53 com-

panies surveyed had no such deal.

The reasons given suggested that
none of them was contemplating such a move. They felt that they had no need, that the unions could not deliver or that the price would be too high. Most important, there was a dislike of having responsibility for resolution taken away from the par-

ties directly concerned.

There is no doubt that the changing approaches to relationships with aployers is causing concern in the trade union movement.

The fact is that many managements now see the important relationship as being that which it has with its employees rather than the formal relationship the industrial relations professionals have with the trade union officials. (This is very different from the 1960s and 1970s when managements often called in the officials to bring sanity into the proceed

ings.)
By giving the supervisor a greatly enhanced role and by appointing peo-ple who have the capability of man-aging all aspects of their responsibility, the day-to-day involvement of the professionals is reduced. By going for the commitment philosophy, the relationship between employee and company changes,

This, perhaps more than reduced membership because of unemployment and structural change, is the most significant long-term issue facing trade unions. There is no doubt that a different

role is emerging for trade unions though it is difficult to predict what the conclusion will be. Alternatively there is an argument that this is all short term, the circle will turn and in ten years' time we will be back to the attitudes of the 1950s and 1960s. However, it is not

possible to turn the clock back changes have taken place and the base has been altered. Copyright Peter Wickens, 1987. Extracted from The Road to Nissan by Peter Wickens. Published by Macillan Press on January 28 1988 at £29.50 (hard cover) and £12.95

Global competitiveness

Building levels of advantage

Christopher Lorenz on the relationship between structure and objective

SIR JOHN HARVEY-JONES is credited with many achievements in his rumbustions five years as chairman of ICI Britain's largest chemicals multinational, during which the company was transformed from a shaky regional player into a global industry leader.

His best-known skills, which be discusses in his own new book Making it Happen*, are motivation and leadership. But his greatest contri-bution to ICI's dramatic revival between 1982 and his retirement last year was much more specific: the transformation of its top executive team from a collection of rival advocates on behalf of individual businesses and territo-ries into a cohesive body of true directors of the group's best interests.

So says Alan Pink, a man-ager with 25 years of wide experience in ICI who is now the company's general manager — planning. Until all profit and operating responsibility was delegated unambiguously to chief executive officers below ICI's "Executive ture dominated by geographic ture dominated by geogr

agement tasks.

"A lot of things flowed from that," Pink told a conference growth activities.

in London on Routes to Global Leadership last week. Above all, it had resulted in the provision of greater resources for these businesses are required ICI's growth businesses, and to ensure that the business those where it has particular strengths are developed on a

The executive team now said Pink. classifies all ICI businesses couldn't have operated with a quadrant like that in its old

ness, Pink suggested, bad all situations into the same been reinforced by the com-mould," be said.
pany's post-1983 shift away The importance in global from an organisation struc- competition of improved



Team" (its eight executive territories "under which most directors), the team tended to issues were handled on a local be diverted from setting the basis", to one in which "intergroup's direction into man-national businesses" now

those where it has particular strengths are developed on a truly international basis,

Some friction between the into one of four categories, he international and territorial said: growth businesses; cash legs of any such matrix cows; problem businesses; and organisation was inevitable, new businesses. "The team but at ICI this interplay was "generally constructive".
Mindful of the constant

style because its members warring and bureaucracy were competing with each which has bedevilled many other" (for group resources), companies' rigid matrix said Pink. The team was now organisations, Pink stressed able to ask, and deal with, ICI's recognition that the par-such key questions as "Are ticular working relationship we developing enough new (and, by implication, balance businesses?" and "Are we get-ting to grips with our prob-between a given international business and a given territory The impact of this change may be inappropriate for oth-on ICI's global competitive- ers. "We avoid trying to force

organisational effectiveness especially in relation to the role of the corporate centre -was highlighted by sevaral speakers at the conference, which was organised jointly by Britain's Royal Institute of

na na sana-tanà na mandritra na arisa na haifa dia kaominina dia kaomini

International Affairs and the Strategic Planning Society.
Gary Hamel of the London Business School, a fierce critic of the inadequacy of western top management in the face of stiff Japanese competition, and a consultant to a string of multinationals around the world, called for more companies to emulate the likes of Komatsu, NEC, Honda and IBM in the development and articulation of a clear corpo-

rate "strategic intent".

According to Hamel, this involves far more than just a statement of vision – something that has become increasingly popular among western companies in recent

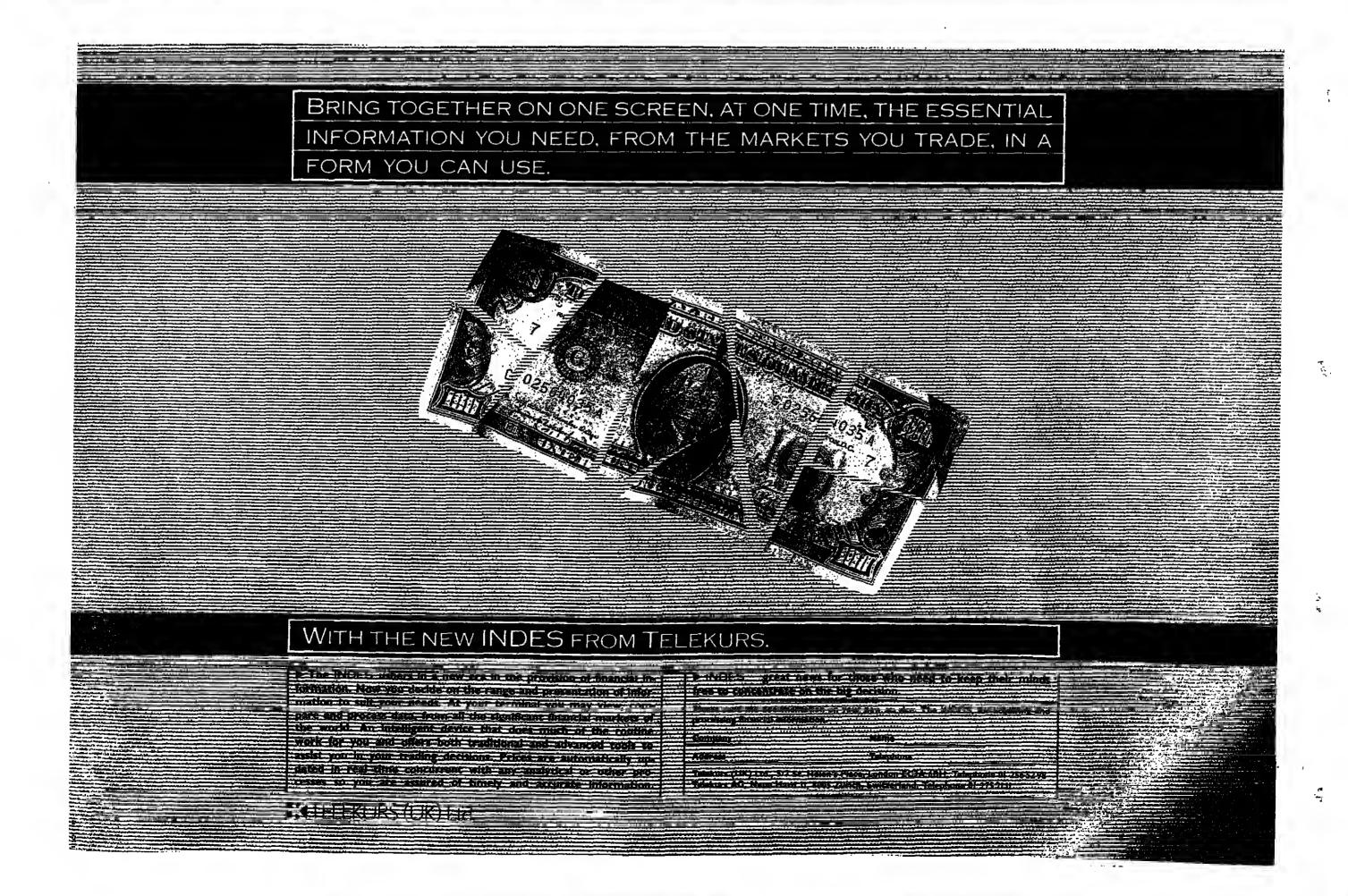
He sees it as an active management process that involves several elements: describing in broad terms a desired com-petitive position (such as Komatsu's long-standing ambition to "maru-C", or "encircle Caterpillar"); focus-ing the organisation's attention on the need to win; giv-ing Individuals down the organisation sufficient initiative to contribute to the means of winning; and sus-taining enthusiasm by constanting entitudes in the intent, while gradually giving it additional layers of meaning.

At Komatsu, for instance,

"encircle Caterpillar" has encompassed a succession of medium-term programmes: first driving down cost, then cultivating export markets, then underwriting new prod-

uct development, and so on. Within the framework of this sort of consistent strategic intent, Japanese companies behave opportunistically, said Hamel. As well as com-bining long-term intent with flexible short-term tactics, Hamel emphasised that "it is the role of top management to build several layers of advantage, and to engage the whole organisation in the development of the new capabilities needed to create them". Sir John Harvey-Jones would sec-

ond that.
* Collins, £12.95



حكذا من الاجل

A preposterous suggestion, you may say. Quite ludicrous. But before you dismiss it as pure fiction, consider the following facts.

shruary 3 1988

ntage

The rate of information growth is doubling every five years. Currently, 6000 new scientific articles are published every week.

An explosion of facts and figures shattering the dreams of anyone hoping to become a Jack-of-all-trades. Indeed, being the master of just one is now a race where the finishing line keeps moving.

Skills and knowledge that may have taken years to acquire can be out of date almost overnight.

Think of the ship designers in the north-east who have had to turn their hand to designing oil rigs.

The plant breeders who have had their world turned upside down by the advent of genetic engineering.

The textile designers who have had their crayons replaced by computer keys. Formal qualifications on their C.V.'s, though important, would have given little indication of their capacity to accept and adapt to change.

WILL TODAY'S GRADUATE BE WEARING A DIFFERENT HAT IN THREE YEARS' TIME?

Of course, if we expect people to have a more flexible, adaptable outlook on work, we must also expect the same of their employers.

So companies must be prepared to do more than just give time off for occasional conferences. They must also allow time off to attend business schools and retraining courses. And maybe more.

Some companies do already. But should we follow the example of countries like Sweden where mid-career breaks of several years are not uncommon? In fact, is it time we reappraised our attitude towards career patterns entirely?

Traditionally, the long serving employee has been held up as the shining example. And, of course, many years of experience in a company can be invaluable.

But in today's fast changing world perhaps we should look more favourably on frequent job changes and regard them as the need to face fresh challenges.

That, in itself, is a challenge that business may soon have to face.

Indeed, in our view, training, or lack of it, is very often at the root of many companies' staffing difficulties.

Yet, sadly some firms still see training as a side issue when compared with, say, providing plant and finance.

According to the latest (1985) MSC figures, the average company spends a mere 0.15% of its turnover on training.

As for ourselves, this year training will cost us some 10% of our income. It's a sizeable sum. But it's one we would not spend unless we knew it would repay us fully in the years to come.

Accountants, Advisers, Consultants

Nuclear reactor test may be dropped after protests

THE Central Electricity Generating Board may postpone its all forced cooling. test on a nuclear reactor in north Wales planned for Friday February 12, following demonstrations at the House of Commons yesterday involving Welsh and Irish members of

The test was planned to demonstrate the intrinsic safety of the British-designed Magnox reactor, for the benefit of the Government's nuclear inspec-

'Arsonist may

still be at large'

rail inquiry told

AN ARSONIST "with a predilic-

tion for starting fires on the

Underground may still be at targe, the inquiry into the King's Cross station fire in Lon-

don which killed 31 people on November 18 was told yester-

Mr Lionel Read, QC, counsel for London Regional Transport and London Underground said that police should continue

investigating whether the fire which killed 31 people was started deliberately.
Mr Read said the King's Cross

fire was a tragedy unparalleled in the Underground's 125-year

history.
Earlier in the Inquiry's second full day Mr Roger Henderson, QC, counsel for the inquiry, had said the arson theory did not appear to "withstand analysis."

He had also said that the pace

of events during the disaster

was so great a senior fire offi-

Financial Times Reporter

down safety even if deprived of Eddy Ryder, chief nuclear all forced cooling.

Eddy Ryder, chief nuclear inspector, who said he had not CEGB engineers say that if something were to go awry, the the test.

would be switched back on. The test planned for the Trawsfynydd reactor next week has still to be approved by the Nuclear Installations

Inspectorate.

However, Mr Frank Ledger, the CEGB member for production, said that in the light of public concern the board would consider presented.

It is part of a programme undertaken by the CEGB which has already undertaken similar — and uneventful — tests on Magnox reactors in Cumbria, in north west England, and Ayreshire, in Scotland.

These tests are carried out on reactors which have already been shut down to demonstrate that they will continue to cool that they will continue to cool to state postponing the even if it was approved. Mr Ledger had agreed to meet Welsh members of Parliament to meet Welsh members of Parliament to meet Welsh members of Parliament to deeply concerned that the Welsh had been misled by false comparisons with the Chernobyl accident. The Trawafynydd reactor had been shut down to demonstrate that they will continue to cool that they was approved.

Mr Ledger had agreed to meet Welsh members of Parliament to meet Welsh had been misled by false comparisons with the Chernobyl accident.

The Trawafynydd reactor had been comparisons with the Chernobyl accident.

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The Trawafynydd reactor had been comparisons with the Chernobyl accident.

THOMAS COOK, the travel

ranean countries because of the fierce price war in the travel

Although holiday bookings

shortfall on general uncertainty among consumers and on holi-

that the battle for the summer the sum market is Intensifying. East.

yet reached a decision about The new stations, costing in the region of £1.5bn each, would be Britain's first coal plants since Drax "B" in north Yorkshire was ordered 10 years ago to help the power plant industry in the North East of

Mr Ledger said that the CEGB expected to have the nuclear inspectors' decision on Friday, but would be reviewing both the technical aspects of the test and the strong public reaction, before deciding whether to go

He assured his hearers that there was no parallel with the Chernobyl explosion in the

Thomas Cook ends

ing tour operators to the Medi-

Thomas Cook also plans to

The long-haul market is much

short-haul holidays

agent and tour operator, is to scrap its short-haul package ing travel agents for other lead-holiday programme to Meditering tour operators to the Meditering tour operators and tour operator, is to continue to be one of the lead-holiday programme to Meditering tour operators and tour operator, is to continue to be one of the lead-holiday programme to Meditering to the lead-holiday programme to Meditering tour operators and the lead-holiday programme to Meditering tou

The move is the latest sign at the battle for the summer the battle for the summer the US. Caribbeun, and Far

have picked up in recent weeks, smaller than the short-haul secoverall demand for holidays tor but has been growing about this summer is still understood three times as fast in recent years.

last year.

Travel companies blame the shortfall on general uncertainty among consumers and on holiday amakers taking a "wait-and-see" approach.

Last week Thomson and Horizon, two of the top tour opera-

Last week Thomson and Horizon, two of the top tour operators, announced return filght only deals to Spain for as little as £29. This was to sell excess airline capacity for this summer.

Thomas Cook's move has 1987, to meet the increasing demand for our tours."

Sales in January for the company's "Grand Tour." India, and special interest holidays are already running about 15 per cent above the targetted higher level of sales.

If planning consent is denied there, the Central Electricity Generating Board will propose a alte at Kingsnorth, on the Kent coast of the Thames. Lord Marshall, the CEGB's chairman, announced the hoard's intentions while addressing local members of the breakaway Union of Demo-cratic Mineworkers in Nottingh-

THE ELECTRICITY industry

will today seek Government permission to build two new coal-fired power stations, to

replace ageing plant and to meet growing electricity

The new stations, costing in

England.
The new stations will each burn 5m tonnes of coal a year and thousands of jobs will be

created in power plant and civil engineering industries which

have been starved of major new contracts for many years.

demand.

growing overall demand, especially in Southern England.

Amid wideapread doubts about whether a private electricity industry would build nuclear stations, the Government insists that the new atalions must consist of nuclear as amshire. Local UDM pits are likely to he the main suppliers to the West Burton station. But Lord Marshall coupled his announcetions must consist of nuclear as well as coal-burners. ment with a warning that Brit-

The 1,800MW plants will be located at Fawley, on the south coast of England and at West Burton, on the River Trent, in Nottlinghamshire. Unlike the West Burton plant where plant the new coastal station Cooling towers at the Fiddlers's Ferry coal-fired power station in north west England hands under a plan submitted this week to ministers in Bel-This left open the possibility that the new coastal station would be supplied with Burton, on the Mottinghamshire. Unlike the Nottinghamshire. Unlike the West Burton plant, where planning consent is assured. Fawley may attrsct local environmentalist resistance.

If planning consent is denied it about half the price of British Coal's average price.

Electricity seeks coal-fired plant

The scheme, by S.G. Warburg, the merchant bank, is the latest shot in the long-running battle over the future of the prov-

over the future of the province's electricity industry.

The battle has until now centred on whether new generating capacity ahould consist of a private power station, to burn local lignite (brown coal), or an increase in coal-burning plant of the publicly-owned Northern Ireland Electricity.

The Government has invited a private consortium headed by at about half the price of Britiah Coal's average price.

The stations form part of the CEGB's plant to build 13,000MW (13 GlgaWatts) of new generating capacity by the end of the century to meet growing overall demand, especially in Southern England.

private consortium headed by Bechtel, the engineering group, and Hanson, the industrial con-glomerate, to submit final plans for the construction of a lig-nite-fired station at Crumlin, ish Coal must further reduce its costs to be sure of holding its put partly in private sector final bids.

One of Northern Ireland's County Antrim. Both groups are understood to have made final bids.

NIE argnes that while it would take seven years and £500m to build the lignite station, it would take only £150m and three years to build the necessary coal burning facilities at kilroot power station. The Warburg scheme is tailored in a way which could enable ministers to square their preference for the private sector with their need to choose the most economically attractive option.

tive option, Under the plan, Kilroot Two

would be completed on coal.
The plant would be the property of the NIE, but the new boilers and generators would be financed and owned hy a private account. vate sector consortium NIE would operate it under

contract to the private developers and once the capital had been repaid it could revert to the NIE's ownership.

US AND EUROPEAN COMPANIES MAKE JOB OFFERS BRITONS FIND HARD TO REFUSE

Drug experts find low salary cure abroad

THE UK pharmaceutical industry is suffering from an accelerating net loss of bighly qualified medical staff to jobs abroad, particularly in the US.

One reason for the trend, uccording to Talentmark, a recruitment ugency in Lou-don specialising in medical posts, is that UK-based companies often find it tough to match the overseas salaries and working conditions.

johs in the US, with a conse-quent flow of executive staff across the Atlantic.

One of Northern Ireland's

Dr Tony Chandler, managing director of Talentmark, said: "The drain of staff promises to become a significant problem for the UK industry - but many British companies have not yet woken up to it."

According to Dr Chandler, the number of people leav-ing is small by comparison

many cases relatively many cases relatively young, gifted people in their 30s whom the UK business could ill afford to iose. Acceording to a survey by Talentmark, 17 medical executives left the UK-based pharmuceutical industry last year for similar jobs in overseas companies, compared with two

nies, compared with two entering the industry from

abroad.

Four of the jobs were in West Germany, with one each in France, Holland and Hong Kong and 10 in the US. The two people entering the UK industry came from jobs in the US and Holland.

In 1986, 16 people went from medical posts within UK-hased companies to overseas positions, com-pared with four going the other way.

In 1982, seven medically qualified staff went abroad, with four coming in.

According to Dr Chandler. According to Dr Chandler, US phurmaceutical compa-nies which in recent years bad shown a particular keenness to base more of their decison-making in the US rather than in Britain lucluded G.D. Searle, Warner Lambert and Merck Sharp and Dohme.

In Brief Peugeot to 'spy' on

dealer

network

Peugeot Talbot is to send some 6,000 "spy" customers and teams of engineers from the Automobile Association to check the performance of its 400-strong dealer network, writes John Griffiths.

Peugeot claims the initiative to be the first by a big UK-

based car maker involving independent assessors. The cus-tomer spies will each make 12 visits to a dealer and report on how they are treated.

Dealers, who are said to sup-port the scheme, are eligible for cash bonuses for reaching given atandards of service under an incentive acheme introduced two years ago.

Carrington move

Lord Carrington, 68, who retires as secretary general of Nato in May, will become the chairman of Christie's international on July 1. He will succeed Mr Jo Floyd, 64, who is to continue as a non-executive

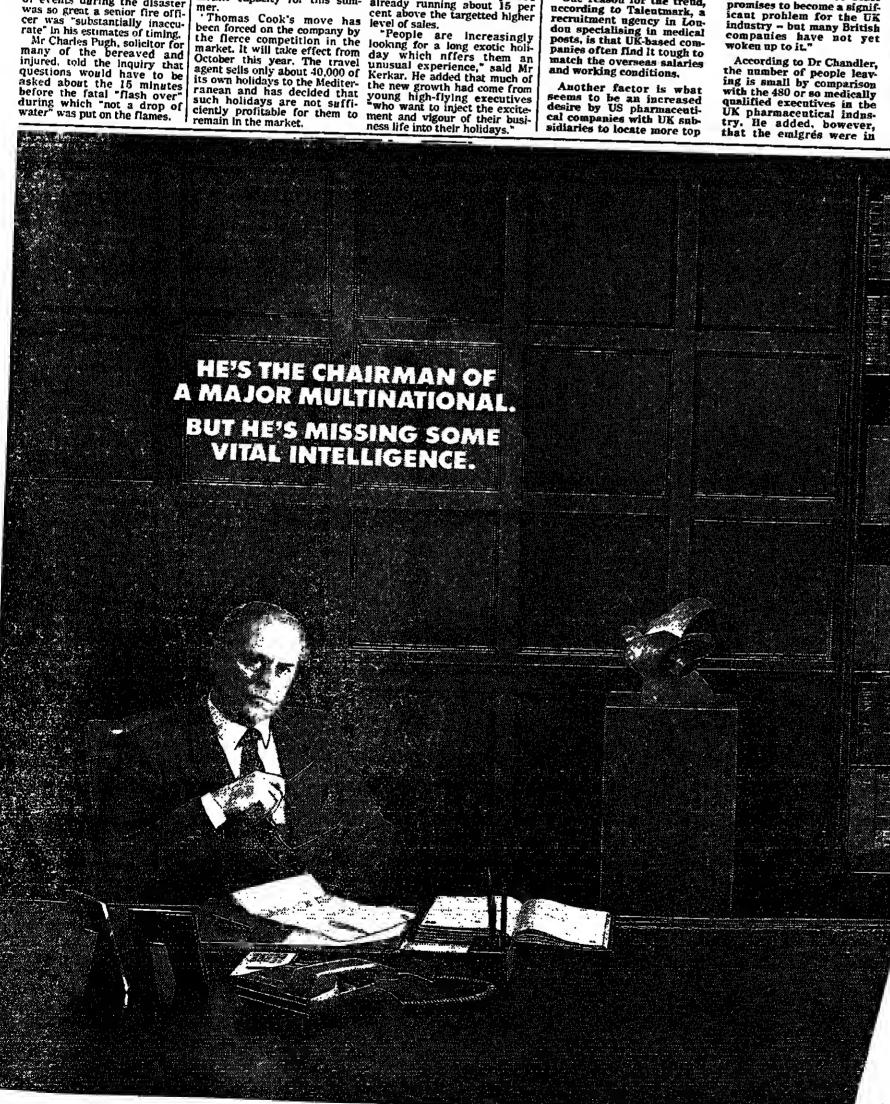
Miners' training call Nottinghamshire members of Nottinghamshire members of the Union of Democratic Mineworkers, which broke away from the National Union of Miners after the 1984-8ō coal strike, backed leaders' calls to train members to take the role of pit deputies. A 24-hour strike by the deputies, who supervise pit safety, resulted in 100,000 miners being sent home without pay on Monday.

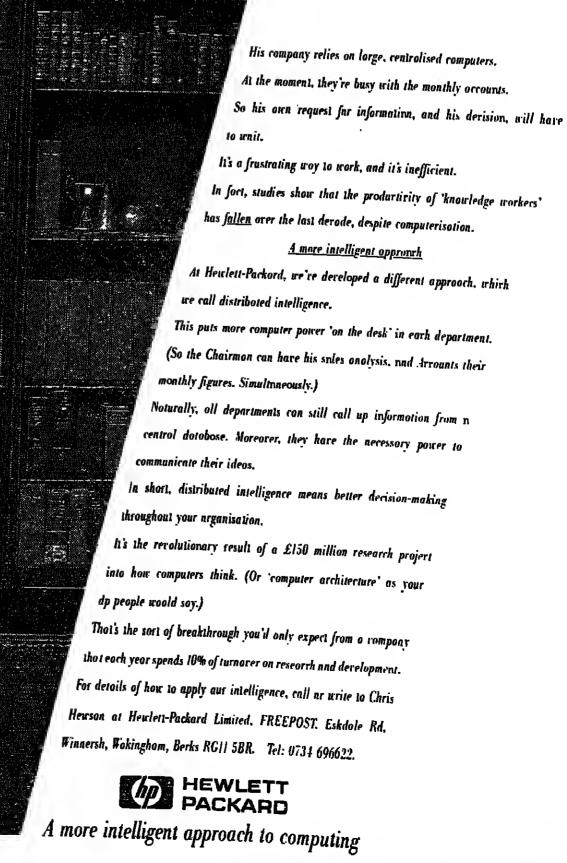
Whisky buy-out

Inver House Distillera, which blenda and markets whisky brands Pinwinnie, Inver House, Green Plaid and MacArthurs, has been bought by its manage-ment from US parent company Publicker Industries in a \$8.05m deal.

BCal resignations

The senior directors of British The senior directors of British Caledonian Airways have resigned their posts following reorganisation of the airline's management following its merger with British Airways. Executive directors Sir Adam Thomson, chairman and founder of the airline, Mr Alistair Pugh and Mr David Coltman have resigned at the man have resigned at the request of BA.





UK reserves hit

by debt payment

and weak dollar

Schman 3 lvg

ugeot to

BRITAIN'S foreign currency and gold reserves fell by \$1.2hn last month after an official debt repayment and a writedown in value of a proportion of the reserves to take account of the dollar's sharp fall in the last quarter of 1987.

As such the revaluation effect gives an indication of the potential losses involved in cur-

potential losses involved in currency market intervention to support the dollar.

Underlying foreign currency reserves, a measure which strips out official debt repayment and valuation changes, rose by \$38m in January. This compares with a consensus expectation by City of London analysts of a \$1bn rise.

The UK Treasury said the fall

The UK Treasury said the fall in total reserves consisted of \$538m repayment of public sec-tor debt and a valuation loss of \$660m incurred after the quarterly roll-over of a swap arrangement with the European Monetary Co-operation Fund, the institution responsible for co-ordination of the European Monetary System (EMS).

Monetary System (EMS).

The UK Govarnment is a member of the EMS – although it has yet to join the system's exchange-rate mechanism - and as such undertakes to hold 20 per cent of the nation's gold nd foreign currency reserves in European currency units.

However, the Government's policy of bolding aterling of January compared with within a DM2.96 to DM3 trad- \$44.39bn (£23.49bn) at the end

effective membership of the

EMS.

The UK Treasury maintains that the cost of intervention is that the cost of intervention and difficult to measure and depends on the future rate of exchange at which past currency positions are converted. It says that intervention in past years has tended to be profitable.

The small size of the underlying rise in reserves in January soprised tha City of London which had expected another month of strong growth in offi-cial holding of foreign curren-cies. In December reserves rose

This leads some to think that large dollar positions which were built positions which month to support the US cur-rency were sold to support ster-ling later in the month when there was evidence of the pound weakening.

The Bank of England is not thought, however, to have par-ticipated with any vigour in the co-ordinated central bank interco-ordinated central bank micr-vention early in January. From the Bank's point of view ster-ling was sidelined for most of the month, with the dollar firm and the D-Mark comfortably within its officially desired

Official reserves stood at \$43.09bm (£24.35bn) at the end

Harvard Securities will not pay final dividend

HARVARD SECURITIES, one of with £1,9m in the previous the largest market-makers in year. Turnover sourced during unquoted, over-the-counter the 1986-87 year to £214m, up shares, which is facing the threat of being put out of business by the new City of London regulatory structure, yesterday amounced that it would not be paying its shareholders a final dividend.

dividend.

The reason is that the company decision by the succept the company as an external member.

Company lost \$2.5m in the stock to accept the company as an external member.

year. Turnover soared during the 1986-87 year to £214m, up from \$81.2m in the previous year, as a result of the "explo-sive expansion and growth" in the first six-month period.

However the company says
that its business suffered in the
second half as a result of the

In the financial year to September 30 the company made a pre-tax profit of \$\frac{274,000}{2329,000} after tax) compared the Financial Services Act.

Government grants wider role to building societies

BUILDING SOCIETIES were building societies had asked sheltered from the risks inheryesterday given powers that for. will transform their business

yesterday given powers that will transform their business activities.

They will enable the societies reminded that they are chiefly in the business of collecting savings to fund bouse purchase funding in Britain – to compete in sectors such as fund management and banking and financial services.

However, the Government of the companies and stockbrokers.

Unsecured lending to individ-uals has been increased from the present £5,000 to £10,000. The Government clearly feels that as institutions, the build-a figure well below that the ing societies still need to be

financial services.

However, the Government companies and stockbrokers, has been much more cautious in giving societies higher ceilings have a majority stake and they will not be allowed to have a majority stake and they will not be allowed to have a majority stake and they will not be allowed to become

ent in making large loans or the

over a £10,000 limit imposed on unsecured loans.
Mr John Bayliss, general manager of the Abbey National, said that buildings societies had atill not been givan "level playing fields" to compete with

general insurance business.

The Building Societies Associ-

ation expressed disappointment

the banks.
"The \$10,000 limit on unsecured lending to individuals doesn't even allow you to do a decent bridging loan." he said.

Giving 'novice' lenders a cue



did not dream of 10 years ago Tha Government had been

forced to address the problem that of Britain's more than 150

THE banks can still do a range "THE banks can still do a range of things that we can't," said Mr John Bayliss, the Abbey National's general manager, after hearing details of the powers given to Building Societies after the Government's review of Schedole 8 of the 1986 Building Societies Act.

The societies had asked for the review when it became clear early this decade that most of them found the 1986 Act, which was intended to

Act, which was intended to expand their range of actvities, too confining in a largely dere-gulated, increasingly competi-tive and rapidly changing mar-

ket.
The review establishes the setting within which building societies must now operate, unless they choose to step outside the framework of the Act altogether.

Building societies bave for several years felt that they were competing directly with the banks and other institutions which have invaded their traditional markets, but that they were obliged to play with one arm tied behind their backs. They hoped that Schedule 8, which defines the permissible range of their activities, would end all that.

The Schedule 8 review has societies and they looked for-provided the societies with ward to the Schedule 8 Review some of what they wanted. As to see how much freedom it

Mr Peter Lilley, Economic Sec-retary to the Treasury, said when annnouncing the results of tha review in a written answer to the House of Comwould give to their lending activities. The societies had hoped for an increase in the ceiling on unsecured lending to individu-

mons yesterday, there has been a shift away from banning als from the present £5,000 to £20,000 or more. On asset lim-Building Societies from every-thing except narrowly specified its, the proportion of their assets which are not residential powers, towards giving them broadly specified powers within which particular activimortgages, they had hoped for an immediate rise in Class 2 (secured lending) and Class 3 (unsecured lending) to levels close to the maximum permit-ted limits under the 1986 Act ties are prohibited. Bullding Societies can now offer financial services such as fund management, including

Here Mr Lilley has dashed hopes. He has held unsecured lending to individuals down to \$10,000 and agreed to raise the Class 2 and 3 limits only by stages over five years until they reach their legal ceilings in 1993. that of unit trusts, which have hitherto been closed to them. They may also take stakes in both life and general insurance companies and stockbrokers. This should bring swift changes in the high street, where building societies are already wooing customers with a range of services which they

The argument is that building societies, unlike banks, are nov-ices in the risky business of lending and must serve an apprenticeship — an argument which found little favour with the larger societies yesterday.

building societies, the largest, the Halifax, bas assets exceed-ing £31m, while the smallest The Government has promised to implement the changes as soon as possible, with the draft orders going before Par-liament by Easter so building has assets of around £3m. Large societies therefore already feel that they have litsocieties can obtain the neces-sary authorisation from their tle in common with the smaller members at annual general meetings this spring.

Striking nurses hear of secret pay plan

By David Brindle and Peter Riddeli

THE GOVERNMENT has pro-posed a system of regional pay variation and discretionary special payments for nurses in its evidence to the profession's salary review body.
The Government's confiden-

tial evidence to the review body has been disclosed in Nursing Times magazine as thousands of nurses and other health workers strike today in protest at the Government's handling of the National Health Service. Under the proposals, nurses working in inner London could win pay rises up to 12 per cent above basic increases. Those in outer London and some other areas with recruitment prob-lems could win an extra 8 per ent. However, the Government

has told the review body to allow "just under 3 per cent" for inflation - a move which sparked controversy last night and diverted attention from the

generally bigger increases implicit in the proposals.

The Royal College of Nursing, the biggest nurses' union, said it was "crass in the extreme" for ministers to specify such a low inflation figure.

low inflation figure.

The Retail Price Index is currently running at a year-onyear increase of 3.7 per cent.

The NHS is Worth DEFENDING Say No To GUES In SPENDING

Health workers outside Maudesley Hospital in sooth London. The strike started a week of industrial action in the NHS

and Social Security last night £7,300 at present; a junior confirmed that a figure of less enrolled nurse would get than 3 per cent had been £6,250 the same as now.

The Retail Price Index is curently running at a year-onear increase of 3.7 per cent.
The Department of Health
The Department of Health

included in the evidence for a cost-of-living rise. It said it was well known that ministers were Interested in "regionalisation"

The cost-of-living increase would be added to these rates.

Mr Hector MacKenzie, general

of pay. secretary of the Cohse health
The main government propos- workers' union and lead negotials are suggested pay rates for ator of all the nursing unions, the revised nursing grades in said last night: "It just shows the new, agreed clinical struc- how insensitive this Governure. ment is. They just have not Most, but not all, nurses appreciated or understood the

Court action over ferry dispute

SEALINK UK and P&O, both about 80 per cent of the UK ferry companies, last night approximately 7,000 NUS memanuounced that they would bers employed in the ferry and seek an enforcement of a High freight sector.

Sealink UK said that it had decided to give notice to the High Court that it wished to be heard "as soon as possible" in an action of court has a count brought against the union.

defied the court order and British Industry in Northern caused widespread disruption Ireland, where manufacturing to ferry and freight traffic in and the economy in general is its first national strike since dependent on sea freight, 1981. warned yesterday that the

National Union of Seamen Irish Sea and North Sea coasts which could involve heavy where support for the strike fines and sequestration of following meetings was strong.

Mr Alistair McLoughlin, the head of the Confederation of head of the Confederation of

an action of contempt of court brought against the union.

Following consultation with Its lawyers, the NUS last night said that it had been instructed that any further statement on the day's events might be construed as encouragement of strike action and therefore in contempt of court.

The strike which began at midnight on Monday had by last night halted UK-flagged ships in all the major British ports, although a limited number of UK ferries were sailing from Dover, Portsmouth, and Folkstone. The action involved warned yesterday that the strike would have a crippling at like would have a crippling at like the union has decided to test the UK Government's trade union laws on the grounds that to engage in any action which will damage the industry of the Province because what you are doing effectively is exporting jobs to our competitors."

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This invitation has only been extended to readers of The Financial Times (a limited number of tickets are available)

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Meet the cast of the Royal Court's production 1987 LAURENCE OLIVIER PLAY OF THE YEAR AWARD

The Royal Court would like to acknowledge the support of W.H. SMITH and CHAMPACNE LANSON.

United Glass posts

Mr John Griffin has been director of Hogg Robinson Propappointed managing director of erry Services.

UNITED GLASS, succeeding Mr

Lohn Small who will exist in John Small, who will retire in May. Mr Griffin is a director of United Glass Holdings and of United Glass. Mr Neil McDon-nell has been appointed a direcmen has seen appointed a director of United Glass Holdings.

Ms Kay Brown, Mr John Daniels, Mr Malcolm Griffin and Mr McDonnell have been appointed directors of United Glass.

SAUNDERS DESIGN, part of the WCRS Group, has appointed Mr Roland Denning as joint

FRASER MARR FINANCIAL SERVICES has appointed Mr Gilbert McNeill-Moss as a director. He was chairman of C. Howard & Partners.

F.J.C. LILLEY has appointed Mr Graham Watts as administration director and group secretary. He was managing director of Coats Paton subsidiaries in Scattle Africa. in South Africa.

Mr Christopher White Thomp-son has been appointed to the board of PARRISH. He was a director of Mercantile House Holdings and chief executive of Oppenheimer Fund Manage-

The ABBEY LIFE GROUP direct sales force division has been restructured on a regional basis under two agency operations directors. They are Mr Dennis Byan, formerly head of Operations and Mr Dennis Poniton, who joins the com-pany in March from Rothmans (UK) where he is sales and dis-tribution director.

Miss Lisa Spire has been appointed head of public rela-tions in London for SALOMON BROTHERS INTERNATIONAL. She was a director of Charles Barker City.

TRISTAR DATA SYSTEMS has promoted to managing director Mr Ray Farrenkothen, who was sales director. He replaces Mr John Engelbrecht who is taking a sabbatical.

Mr Hugh Gledhill has been appointed sales and marketing director for the WEDGWOOD

W.J. SHORE & CO., Bristol, has appointed Mr Geoff Grounds, its pensions development manager, to assistant director (pensions), with particular responsibility for group pension schemes.

HOGG ROBINSON has appointed Mr John Bryan to the board. He is managing ment.

Mr George Wilson has been appointed production director of OSBORNE ELECTRONICS, Isle of Wight, a division of Crystalate Electronics. He was general manager at Thorn ENI

Mr Alan Brooker has been appointed a non-executive director and deputy chairman and Mr Bob King, managing director of Kode Computers, and Mr Stephen Day, managing director of KAM Circuits, have been appointed executive directors of KODE INTERNATIONAL. Mr Brooker, who was chairman and chief executive of Extel Group, becomes deputy of Extel Group, becomes deputy chairman, and will assume the chairmanship when Mr Ron Marier retires later this year.

THE DELTA GROUP has made THE DELTA GROUP has made a number of nrganisational changes and appointments. A new group board is being furned and will take over operational responsibility so that the board can concentrate on the state of the s strategic direction and supervi-sion. The fluid controls and metal divisions are being merged to form a new engineering division reflecting the integration between the company's fluid and gas control business and its metal forming capabil-ity. Mr Eddie Garvey will be appointed managing director, engineering division.

Following the move of Hilton International headquarters to London, LADBROKE GROUP has appointed Mr Martin Gatto as HI's chief financial officer; he was finance director of Ladbroke Hotels. Mr Olaf Bonde, senior vice president -Central Europe and Eastern Mediterranean, becomes senior vice president development. Mr Juhn Wilson, assistant manag-ing director of Ladbroke Hotels, is appointed senior vice presi-dent - Europe and Africa. Mr Alan Bridle, who was HI's

financial comptroller, will be appointed senior vice president tressury, following the move to London. Mr Jean-Claude Noel becomes vice president -France, Switzerland and West Africa, from March 1. Mr David Michels, deputy manag-ing director of Ladbroke Hotels, sales and marketing (designate). He will replace Mr Fred Rnoff, who is due to retire at the end of February. Mr Peter Aird, senior vice president -treasury, and Mr Pierre Jaquillard, senior vice president -Western Europe, Gulf and Africa are taking early retireSteven Butler looks in on Enterprise Oil's North Sea gamble

Drilling with a bit of boldness

LOOKING north-west from the deck of the Dundee Kingsnorth, a semi-submersible drilling rig 100 or so rules off the coast of Aberdeen, one can see the large platforms of the Forties Field and their seller. and their yellow flares billow-ing before the wind. Below, through the steel-grey waters of the North Sea, a drill string is turning deeper and deeper into the earth.

If the drill bit eventually ploughs into a big reservoir of nil, it would be a conp for Enterprise Oil, the independent exploration and development company created just four years ago in a government pri-vatisation.

Indeed, a substantial find could be seen as confirmation that the independent oil compathat the independent oil compa-nies do have an important role to play. It might even help to protect Enterprise from the hunger of the big oil companies to increase North Sea acreage. The premium on Enterprise shares, which oil analysts attri-bute to the company's reputa-tion for high quality manage-ment, might widen further if the company succeeds in this

the company succeeds in this bold exploration. In early December, Enterprise

the company succeeds in this bold exploration.

In early December, Enterprise the tale, it was an andacious, astomated the oil industry with a studiously understated announcement entitled "acreage creen of complex deals in order rationalisation." One would have had to read the dry, two-page release rather carefully to recognise that Enterprise had done what few small, indepen-



dent oil companies would dare to risk – to take a 100 per cent interest in a block of North Sea

oil screage.

That is rare enough for one of the oil giants, let alone an upstart company spun off from British Gas in 1983. In a series of trades, Enterprise had started with 20 per cent and subsequently acquired all of its partners' interests in block 22/ 11.

an exaggeration Rather, he says, the unusual deal was the culmination of an effort begun in 1986 to assess Enterprise's oil interests and to move toward larger stakes in fewer

properties.
Block 22/11 was one field Block 22/11 was one field that Enterprise had earmarked for a bigger interest, and it found all of its partners in the field were willing to trade for something else that Enterprise had on offer. After a bit of soni-searching, Enterprise decided it felt confident enough the down to 1/10 per cent.

decided it felt confident enough to go up to 100 per cent.

Mr West says: "We had a view of the geology of that block that was not shared by our partners in that field."

Aside from the seismic surveys to which all the partners had access. Enterprise's confidence was boosted by knowledge that it gained from a part-

dence was hoosted by knowledge that it gained from a partnership on a bordering field.

Of course, Enterprise did not disclose its full hand and none of the negotiating partners knew until after agreeing on the deal that Enterprise had built such a hig stake. While Enterprise may seem to have Enterprise may seem to have foxed its former partners, one should not underestimate the

and began its first exploration well. Enterprise was aware that the Dundee Kingsnorth had a solid reputation in the industry as a "lucky rig," although Mr West says there was not much else available at the time.

The first exploration well is complete, with core samples under analysis. A second well, drilled from an angle at the same site, will be started imme-

Even a relatively small find would make Enterprise look rather clever. A medium-sized find would open the possibility that Enterprise could operate the field when it eventually that into production, and that

the field when it eventually goes into production, and that would vastly raise the company's profile in the industry.

A large discovery, say more than 100m barrels, might put development of the field beyond the resources of Enterprise. In any case, development would have to be co-ordinated with Shell, which holds the licence on a neighbouring property that sits over the same structure.

In another two months, Enterprise will have a better idea whether it has pulled off an enormous coup or made risk it has taken on.

Just a few weeks after The Enterprise staff who amouncing the deal, Enterprise and brought the Dundee Kinganorth out of mothbalis – it had been stacked up for more than for the present drilling operation.

Revenue concerned over bond tax avoidance plan

THE INLAND Revenue is concerned about the growing inci-dence of tax avoidance through sophisticated use of indexation concessions granted in Schedule 19 of the 1986 Finance Act.

Lloyd's underwriting syndi-cates and certain multinational companies have discovered that their investment returns can be enhanced, or tax payments reduced, if they use short-term cost-of-living bonds. Since 1985, such bonds have quali-fied far an indexation allowance before capital gains tax liability is calculated.

For instance, Lloyd'a syndicates have invested large sums from their premium income, perhaps more than £2bn, in index-linked bonds issued by US organisations such as the Student Loan Marketing Associ-ation (Sallie Mae).

Lloyd's syndicates are subject to high rates of income tax, normally the top rate of 60 per cent, as a reflection of the liabilities of the wealthy syndi-

rate members.

There have been many disputes in the past arising from attempts to avaid these high rates. Such attempts have usurally involved converting income to capital, for instance, through the once widespread but now forbidden practice of "bond washing."

It is understood that the potential of the index-linking mechanism has been discovered by some multinational corporate treasurers who use offshore intermediary companies to transfer index-linked UK loans to subsidiaries in highly taxed countries where the interest on the borrowings is deductible.

S Africa seizes assets of British jeweller's

A BRITISH company's assets have been seized in South Africa as part of a case which involves an alleged R80m (£22.8m) breach of Pretoria's strict exchange control laws.

Government authorities at the South African Reserve Bank have taken charge of a majority parcel of ahares in Sterns Diamond Organisation, one of the country's best-known jewellery chains. The holding, worth more than R10m, was bought last year by

Europa Acceptance Group, a London-based private company known formerly as Sylvcrest, which acts as the UK vehicle for the Jaconesson family of South African Indian origin.

non-executive director of Europa, and his brother Mr Solly Jacquesson, who lives in exile in Britain, is managing director.
Europa said it had offered

the shares as surety for bail.
The shareholding represents about 85 per cent of Sterns's equity and was built np using financial rands, the favourable rate designed for inward investment in South Africa's two-tier carrency system. Europa says no Sterns funds have been repstriated to the

Reserve Bank officials took the Sterns scrip from the offices of stockbroker Max Pollak & Freemantle. Mr Solly Jac-quesson said in London: "We have complied with all the Mr Maurice Jacquesson, who have complied with all the faces the charges and was rules of the Johannesburg Stock refused bail last Friday, is Exchange but it is not lifting a chairman of Sterns. He is a finger to support us."

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YOU CAN HAVE A SUSHI...ON A LITTLE DISHY



'Sushi', for those unfamiliar with Japanese cuisine, is a dish based on a special vinegared rice. It's usually served as an appetiser.

Sushi is just one of the attractions you may find on the menu at a canteen not in Tokyo, but in

As you've probably guessed, we're referring to the Nissan plant at Sunderland.

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Benn keeps up barrage against leadership

By Michael Cassell, Political Correspond

MR TONY BENN, the left-wing MP for Chesterfield who is coneidering etanding against Mr Neil Kinnock for the Labour leadership, last night laenched another strack on the party's front-

bench team,
At the weekend, Mr Benn criticised Mr Kinnock'e "increasingly anthoritarian and intolerant" style of lead-ership. His remarks provoked an immediate rebuff from Mr Kinnock, who called on a "loud-monthed minority" to stop obscuring the real issues facing the party.

Mr Benn returned to the

Mr Benn returned to the offensive yesterday, describing as insulting the party leadership's refusal to support industrial action by groups of workers like the seamen and the surses.

His remarks, made to a meeting in London, follow his abortive attempt at last week's session of the party's national executive committee to give unqualified support

to give unqualified support for strike action by the

for strike action by the nurses.

Mr Benn was reported by other NEC members to have been openly furious at their refusal to support his emergeacy resolution, which called on the party to offer all possible financial, industrial and moral backing to the nurses if they continued with their strike threat.

Yesterday, he said that generalised expressions of sympathy from the Labour front bench were "just not good enough". He claimed the leadership'e failure to provide full support, when it was most needed, explained some of the present distilusionment inside the party and ment incide the party and indicated why its electoral strength had slowly drained

Mr Benn said that resis-

Mr Benn said that resistance to the injustice of government policy was rapidly building ep at grassroots level and that Labour would be judged by whether or not it provided active copport when it was so badly needed. The bard-left Campaign group of MPs, to which Mr Benn belongs, is expected to decide shortly whether to force a leadership coetect this autumn. Mr Benn is conthis autumn. Mr Benn is coned to be the most likely candidate, with Mrs Audroy Wise, the MP for Preston; being suggested as a possible

mnning-mate. Mr Kinnock has repeatedly condemned the prospect of a potentially damaging leadership campaign, as he did when Mr John Prescott, the party's energy spokesman, receetly threatened to chal-

recently threatened to chal-lenge Mr Roy Hattersley for the deputy leadership.

But opinion within the Labour leadership over the possible impact of a contest appears to be divided. While most believe thet a left-wing challenge would end in abject failure, some very senior fig-ures feel that the party's crit-ics should be taken on and soundly beaten. soundly beaten,

• A joint, two-day session of the shadow Cabinet and the NEC will begin tomorrow in London. The meeting will be the first since the start of Labour's two-year policy review and will provide the opportunity for the conveners of the seven review groups to report back on progress made so far.

Base rates rise 'to check inflation'

THE Government's determination to "keep inflation down" was reflected in the rise in bank base rates from 8% per cent to 9 per cent, Mrs Margaret Thatcher, the Prime Minister, told the Commons yesterday. She brushed aside a criti-

She brushed aside a criti-cal question from Mr Aian Beith, Liberal spokesman on Tressury affairs, by saying the Government was not prepared to let inflation go up "like the Government you supported".

Thatcher under attack over nurses' pay award

LABOUR MPs launched another rowdy attack on Mrs Margaret Thatcher, the Prime Minister, in the Commone yesterday whee she ruled out any advance commitment by the Government to finance fully the pay increase expected to be awarded to nurses in April.

There were angry protests from the Opposition benches when she initially side-stepped demands for clarification of the outcome of Monday's meeting between Mr John Moore, the Social Services Secretary, and leaders of the Royal College of To government cheers, Mrs Thatcher counter-attacked by

Thatcher counter-attacked hy condemning strikes by nurses, insisting that they would "gravely damage" patients and increase waiting lists which the Government, through the special allocation of £25m in the current fleancial year, was streamenty trying to reduce. current fleancial year, was strenuously trying to reduce.

Mr Neil Kinnock, the Labour leader, claimed that Mr Trevor Clay, the BCN general secretary, had gained the cloer impression that the Government would find all the money required to finance the nurses 1988 pay award resulting from the recommendations of the profession's pay review body.

"Was that impression correct - yes or eo?" he demanded.

Mrs Thatcher responded by recalling a statement made by Lord Curr of Hadley, when, as a member of the Heath Government, he explained that recommendations made by other salary review bodies would not be modified by the Government weapon at a time when their modified by the Government weapon at a time when their unless there were clear and own review body - given to compelling reasons for doing so. them because they did not go Ignoring repeated shouts of on etrike - was considering Ignoring repeated shouts of on etrike — was considering "yes" or "no", she said this had how much more they should be been the position adopted by paid.

Mr Moore in his discussions

She found it even more astonwith the Royal College of Nurs-ing, which had since stated that it did not believe there could be any clear and compelling reasons for not fully implement the nurses' 1988 pay award.

After further pressure from Mr Kinnock, the Prime Minister stated: "We have never undertaken to fund in full the pay award before we know what it is or what the structuring is."

Rejecting further Labour protests, she stressed that, unlike its Labour prodecessor, the its Labour predecessor, the Government would not be rely-ing on a prices and incomes pol-icy to depress the pay of nurses

Amendment over school opt-outs turned down

BY PETER RIDDELL, POLITICAL EDITOR

THE Government last night defeated - by 17 votes to 14 - a Tory backbench and opposition attempt to require evidence of substantial parental support before a school is allowed to opt out of local substantial control is authority control.

Only one Tory MP, Dr Keith Hampsoe from Leede North-West, rebelled to vote for his own amendment insisting that 40 per cent of parents in a school had to vote in favour of opting out. The bill at present requires only a simple majority regardless of turnout.
The vote was during the Commons committee stage of the Education Reform Bill.

A Government statement con-firming the end of the Inner Londoe Education Authority in its present form is likely tomor-row or east week following dis-cassions by a Cabinet commit-

rently proposes that individual boroughs should be allowed to opt out of Ilea. But senior min-isters are broadly sympathetic to a Commons motion backed by former ministers Mr Michael Heseltine and Mr Norman Teb-bit urging the total abolition of the authority in 1990 and the transfer of schools to the bor-

oughs. Considerable problems are involved in the immediate total abolition of the authority in view of the extent of con services, currently contrally run. Hence the solution is unlikely to be as straightforward as simply transferring control to the individual bor-

A further worry for some London Education Authority in its present form is likely tomorrow or eaxt week following discussions by a Cabinet committee.

The education reform bill cur-

Bridge bill's short span

THE bill to allow the building of a bridge over the Thames between Dartford and Thurrock yesterday went through a Commons committee in just over am hour rather than the expected wind shield, which had previously been considered unnecessary by both the Government and the contractors.

The issue will then be determined on the floor of the Commined on the floor of the Comyesterday went through a Com-mons committee in just over an hour rather than the expected

This followed a promise by Mr Peter Bottomley, a junior Transport Minister, that the Government would shortly be producing its view on whether a wind shield chould be incleded on the bridge. This will prohably be announced within two weeks.

The Government announcement will be in the form of a response to a report of a select committee on the bill shortly before Christmas. This recom-mended the addition of such a

when the hill has its

report stage. • Ferry companies operating in the Channel will have to be allowed to co-operate if they are to compete on equal terms with the Channel Tunnel, the Commons transport committee was told yesterday, writes

Mr Kerry St Johnstone, president of the General Council of British Shipping, said he expected the Government to relax entl-monopoly regulations which forbid the companies to discuss fares and services.

MPs trail clerks' pay

Figures obtained by Mr Hugh
Dykes, the Conservative MP for a deputy in the French National number of parliamentary questions, show that MPs' salaries of the British MP's salary is are less than those of 28 of the Conservative MPs receive tax-free).

House of Representatives and little more than half the pay of little more than half the pay of the Precise than those of 28 of the Conservations, who advise them on proclerks who advise them on pro-

SOME 43 officers and staff of about two-thirds of what mem-the House of Commons are paid bers of the West German Bund-more than the £22,548 a year estag receive, less than half the which MPs now receive.

However, British MPs receive edure. over \$4,000 a year more than At current exchange rates members of the Auetralian Vestminster MPs are paid only

Labour to offer enhanced role for the two sides of industry

BY MICHAEL CASSELL, POLITICAL CORRESPONDENT

THE NEXT Labour Government regarded as something to be wrong that the representatives of 11m working people should ship with British industry, in which management and trade

THE NEXT Labour Government regarded as something to be wrong that the representatives of 11m working people should be excluded from having any say in the nation's economic unions would be given a more powerful voice in determining the nation's economic future, Mr Bryan Gould, the shadow Trade and industry Secretary,

said yesterday.

Mr Gould, in the first of six speeches which will set oet Labour's industrial strategy—he has dubbed it the "Gould plan"—attacked what he described as the Persylvant of described as the Department of Trade and Industry's "abdication of responsibility" and called for more co-operation between government and indus-

try.

He told a meeting at the Commons that the Government, for reasons of ideological prejudice, had followed a course which was diametrically opposed to that of governments in more successful economics. Only in Britain, he claimed, was a close and co-operative relationship

anisms by which industry made
lis views known to government
had been progressively weakened. The Confederation of
British Industry, which was
proper meeting place for government and industry. Without
it. Mr Gould stressed, British increasingly dominated by financial institutions and it. Mr Gould stressed. Britain importers rather than manufacturers, had become e less effectively in the battle to maintain ingly ignored by ministers.

Ar Gould continued: "We can but on the advantages to be no longer afford a situation in gained through a systematic

which the voice of the bankers and institutionalised effort to and money dealers is heard ensure both sides understood loud and clear but the voice of each other industry is muted and uncerUnder the proposals, he

He said that Labour would also want to hring the trade unions back into the machinery nomic policy. It was clearly

tive influence on government, international competitiveness, while bodies each as the National Economic Developmentship sought by Labour ment Council had been increas- would ook be based on an

much more effsctive forum, which was genuinely representative of industry's interests and less dominated by the "big battalions".

Kinnock's line forces MP to quit party job By Tom Lynch

be restrained or to be in conflict with the position of convener by taking a line which is in opposition to that promulgated by the party leadership," Mr Doug-las said in his letter of res-

ignation.
Mr Douglas stepped up

from vice-convener of the group after last year's general election, when Labour captured 50 of the 72 Scottish seats. The election changed the character of the group, with an infusion of younger, more articulate backbenchers.

backbenchers.

Mr Kinnock'e weekend remarks caused some disquilet among Scottieh Labour MPs, even though many reject civil disobedience as an option, arguing that non-payment is e civil rather than criminal matter and that arminal matter

and that employed people who do not pay can have their wages docked. 'have is concern that Mr

Kinnock's tone gave the impression that the Labour

THE TENSIONS within the Scottish Labour Party were highlighted yesterday when Mr Dick Douglas, the MP for Danfermline West, resigned as convener of the Scottish group of Labour MPs over a disagreement with Mr Neil Kinnock, the

ishing that Labour MPs did not "utterly condemn" the intimida-tory tactics which had been

Left-wing Labour backbenchers made it clear that they expected a more militant epproach from the Opposition front bench when Mrs Alice Mahon (Lab. Halifax) shouted "disgraceful" as the Speaker (Mr Bernard Weatherill) refused to allow her to seek an emergency debate on the case of a two-month-old baby awaiting heart surgery.

When the Speaker explained that he could not "bend the and doctors.

Mr Tim Smith (C, Beaconsfield) said members of the RCN further attempts by Labour observing their non-strike commitment had been subjected to intimidation by the "hard left" Bolsover) complained that they whose despicable behaviour had received no support from had shown they had no interest the Opposition front bench.

Income tax bill fails

AN ATTEMPT by Sir Brandon Rhys Williams (C, Kensington) to introduce a private member's bill to abolish the higher rates of income tax failed by 180 votes to 58 in the Commons

yesterday.

The rebuff followed an appeal to the "Thatcherites" on the Government benches to was wrong in principle to use the tax system to punish sucMr Douglas said his deci-sion had been influenced by Mr Kinnock's speech to the Labour local government conference in Edinburgh at the weekend rejecting calls for a "can't pay, won't pay" campaign against the com-munity charge, or poll tax. cempaign against the com-munity charge, or poll tax, when it is imposed in Scot-land from next April. "I do not wish my per-sonal stance on the issue to be restrained or to be in

Sheffield MP David Blunkett with enpporters of Community Service Volunteers at Westminster yesterday protesting over

Meny party activists believe that such complex legislation leaves plenty of scope for individuals and conneillors to obstruct Ita Implementation without risking bankruptcy or sur-

charge. Mr Kinnock'e remarks came at a time when Scot-tisk Labour MPs have been unable to turn their numeri-cal advantage into demon-strable parliamentary gains, allowing the Scottish National Party to use the derisory label "the feeble 50" to describe Scottish Labour MPs.

The party has also seen a revival in the organisation of the Scottish Conservatives, who last week captured the initiative over a poorly-presented review of schools in the West of Scot-

the bill to introduce a poli tax land by having the Prime Minister intervene directly to guarantee the future of a popular school in Palsley.

Mr Douglas said yester-day it was wrong, 14 months before the tax was due to be paid, to condemn it while chutting off nonpayment as an option. Many of his constituents could not or would not pay the tax, and he would not dis-tance himself from them.

He had not been con-vinced by any of the other etrategies put forward. "Anyone who thinks this lady is going to be held up by legislative foibles is kid-ding themselves on."

Mr Ernie Ross, the MP for Dundee West, is expected to step up from vice-convener to succeed Mr Douglas.

Women protesters disrupt Lords

ANGRY WOMEN homosexual rights protesters staged a com-mando-style assault on the Chamber of the House of Lords yesterday as peers approved the controversial legislative clause banning councils from

clause banning councils from promoting homosexuality.
Turmoil reigned in the ornate crimson and gold chamber and startled peers watched as three women threw ropes over the rails of the public gallery, past the press gallery and down into the Distinguished Strangers area near the bar of the House. ares near the bar of the House, and then abselled to the floor. Their demonstration was applanded by about a dozen supporters in the public gallery shouting alogans against the Government legislation.

The protesters were quickly led out by Black Rod, Air Chief Mersbal Sir John Gingell,

Lords doorkeepers.
Dame Elaina Kellett-Bow-man (C, Lancaster) who wit-nessed the scenes, said after-wards: "It was a pure Tarzan act.
"They flung ropes over the gallery and started shinning down them.
"It was the most extraordi-

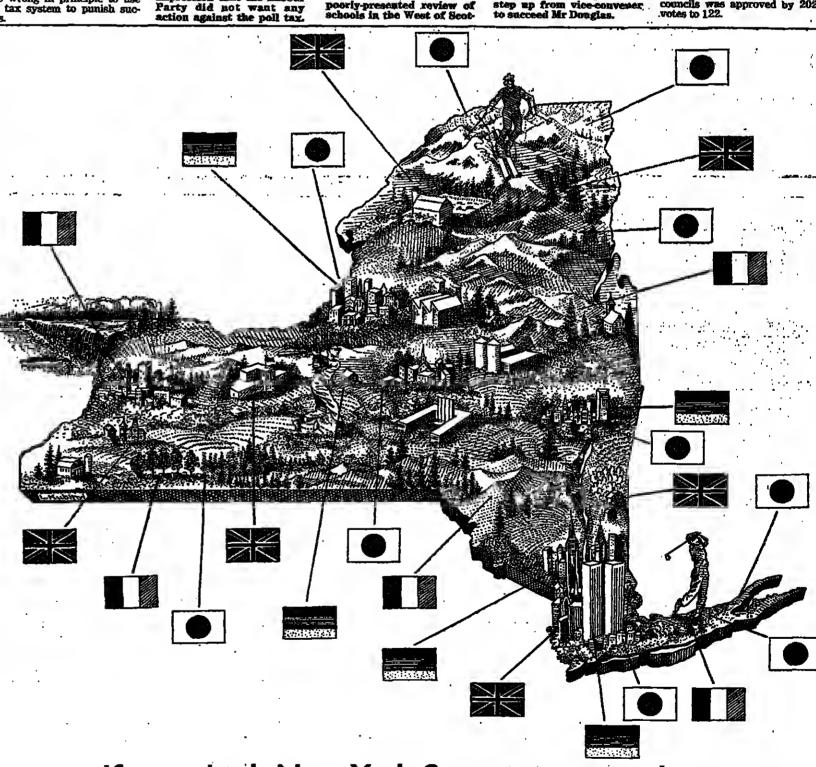
nary scene. It beat anything that ever happened in the Com-

hanging in mid-air for minutes on end."

on end."

It remains a mystery how the women smuggled the ropes into the gallery. It is assumed they wrapped them around their

reported that four women and one man had been detained "at their Lordahipe" pleasure." The unprecedented demon-Government Bill to outlaw promotice of homosexuality by councils was approved by 202 votes to 122.



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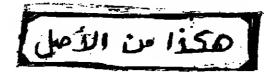
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Most Ford stewards reject pay accord

THE AGREEMENT between Ford Motor Company and national union negotiators over a three-year pay and conditions offer seemed increasingly at risk yesterday, after shop stewards committees at plants cov-ering more than two thirds of the workforce decided to ask workers to reject the offer. The national negotiators

decided on Sunday night to rec-ommend the improved offer, thereby averting a planned national strike by 32,500 man val workers. The company had warned that the offer would be withdrawn should the negotiators refuse to recommend it. Stewards at the Dagenham and Halewood assembly, body and engine plants voted unanimously to recommend rejection Only stewards at the small export plant at Dagenham voted to back the offer of a 7 per cent increase in 1987-88, followed by increases worth 2.5 per cent more than the inflation rate in the following two years. The package includes far-resching changes to working practices.

Labour Party, the general secretary of the NUS knows financial problems when he sees them. On any count, the 101-year-old union is in no state to face heavy fines or suits for with Mr Eddle Shah's Messendamages over the present ferry general ways of the strike with a surplus of assets over liabilities of at least the strike with a surplus of assets over liabilities of at least the strike with a surplus of assets over liabilities of at least the strike with a surplus of assets over liabilities of at least the strike with a surplus of assets over liabilities of at least the strike with a surplus of assets over liabilities of at least the strike with a surplus of assets over liabilities of at least the strike with a surplus of assets over liabilities of at least the strike with a surplus of assets over liabilities of at least the strike with a surplus of assets over liabilities of at least the strike with a surplus of assets over liabilities of at least the strike with a surplus of assets over liabilities of at least the strike with a surplus of assets over liabilities of at least the strike with a surplus of assets over liabilities of at least the strike with a surplus of assets over liabilities of at least the strike with assets over liabilities of at least the strike with assets over liabilities of at least the strike with assets over liabilities of at least the strike with a surplus of assets over liabilities of at least the strike with assets over liabilities of at least the strike with assets over liabilities of at least the strike with assets over liabilities of at least the strike with assets over liabilities of at least the strike with assets over liabilities of at least the strike with assets over liabilities of at least the strike with assets over liabilities of at least the strike with assets over liabilities of at least the strike with assets over liabilities of at least the strike with a surplus of a strike with a str About 20.000 manual workers are employed at the Dagen-ham and Halewood plants. Should these plants vote heavily against the offer, it would almost certainly be

strike.

would almost certainly be defeated nationally.
Stewards at plants at Bridgend, Basildon and Daventry, which together employ about 4,000 workers, will also recommend a rejected. Union officials at the Dunton research facility, which employs about 900, and the Swansea plant, with about 1,000 workers, said the recommendation to accept would be put with little enthusiasm.
Only at the Southampton van plant, which employs more

plant, which employs more than 2,000, did stewards say the national negotiators' recom-mendation would be put with any confidence of acceptance. Shop stewards at several plants predicted spontaeneous walk-outs would follow votes against the offer. They reported frustration at the national negotiators' decision to call off the strike and recom-mend the offer after what was regarded by most as only a

marginal improvement.
While the company and the union have a regular negotia-ting meeting planned for Fri-day, its is likely the unions wil-ldelay until at least next week any formal move to reopen negotiations or call a strike.

Action threat at Land Rover

By Richard Tomkins

LAND ROVER's manufactur-ing plant in Birmingham was yesterday facing the threat of industrial action after management and unions failed to agree a new pay deal.

Six hours of talks ended in London on Monday night with the unions unanimously reject-ing an offer described by the

The 6,000 hourly-paid work-ers at Land Rover's Lode Lane plant in Solihull will now be balloted on the offer. Union officials claim the mood is over-

whelmingly for rejection.

Land Rover is offering a deal which it says is worth a total of 14 per cent over the next two years. If attendance supplements and efficiency and quality bonuses are taken into account, the company says, initially a grade three worker's average pay will rise from \$175.80 a week to \$186.50. Land Rover claims that this is

significantly above the compa-rable figure in Ford's pay offer and second only to Jaguar's rates among other motor vehi-cle factories in the region. cases were dealt with.

Pit deputies plan more strikes

PIT DEPUTIES may stage fur- two motions which would have the deputies and warning they tivity linked bonuses. The ther one day strikes next week, tacitly recognised the break- might be dismissed if they union says the offer is linked to after the national granting of larger and particular and properties and warning they tivity linked bonuses. The ther one-day strikes next week, after the national executive of away Union of Deomcratic Nacods, the pit depnties union, Mineworkers, and brought yesterday reacted angrily to warning letters sent to deputies by colliery managers, after their 24-hour strike on Monday.

As the Nacods excentive was meeting, a National Union of decisions on further industrial

While this was a rebuff for National Reference Tribunal.

Mr Arthur Scargill, the NUM's However Mr McNestry
re-elected president, the confer-accused the corporation of fuel-

According to the NUS's last official return to the Certification Office, which regolates trade union affairs, it had total assets of £2.84m at the end of

Although this may seem like

a comfortable cushion, it has to be set against the costs incurred by other unions which have fallen foul of the Govern-ment's employment legislation

in recent disputes.
It was calculated by the offi-cial receiver of the National

BY JIMMY BURNS, LABOUR STAFF

THE FINANCIAL crisis in the National Union of Sea-men is the main motive behind the present merger negotiations with the National Union of Railway-

In an interview with the BBG World Service, broad-cast to NUS members at sea last month, Mr Roger Wilk-ins, the union's deputy gen-

eral secretary, confirmed that expenditure was ont-

stripping income. Mr Wilkins said: "We can-

not go in the shape we are

meeting, a National Union of decisions on further industrial Mineworkers special delegate action over British Coal's pay conference decided against offer. He said the decisions escalating industrial action would first be conveyed to the over the corporation's disciplinunion's members, but it is ary code, and British Coal's unlikely there will be any decision to withold NUM mem-bers' 1987 pay award. tomorrow of the industry's

re-elected president, the confer- accused the corporation of fuelence overwhelmingly rejected ling the dispute by writing to or the reintroduction of production of production.

David Brindle on the sequestration threat to NUS

Seamen's union lacks financial

cushion to challenge courts

although it had total assets of

In contrast to such wealth, the NUS is in poor shape. Mr McCluskie told members last

November that the union had incurred a record deficit of

£212,000 on its general fund in the April-June quarter.

Regional offices in Southampton and Holyhead were to be sold and 23 union jobs shed, Mr McCluskie said in justifying a

find some alternative finan-cial security."

He argued that the union would either have to back

would either have to back proposals for a merger or it would have to make even more drastic cuthacks than those already implemented. "I believe we are dangerously near to not being able to provide the kind of services that members would expect." he said.

expect," he said. The NUS and NUR have

set np "consultative com-mittees" to draw ap a con-stitutional and financial

Cash crisis cause for merger move

But not by much.

As part-time treasurer of the Labour Party, the general sec-

letters reminded deputies of

their responsibilities but it did not rule out that this might be consistent with revised rosters.

ing expenses. Income of £1.75m included

£95,300 from investments and £13,500 from sales of invest-

due to be put before the bi-annual conference of the NUS in May. A militant left-wing fac-

22,896, as at December

and fittings.

refuse to work normally.

Mr McNestry said the letters weekend shifts, which could pave the way for six day production.

Production was disrupted at

Production was disrupted at about 60 per cent of pits yester-

day morning.

Elsewhere the NUM's confer-The union will continue with ence decisions on industrial the overtime ban it started at action were a decisive defeat the weekend.

Mr McNestry said the union ers, who had long hoped a delewould attend tomorrow's meeting of the NRT, to explain why an escalation of the union's it believes the tribunal should not arbitrate in the dispute. The corporation has offered members will be balloted on dentities after the corporation of the union's four-month old ban on overtime coal production. Instead NUM members will be balloted on dentities after the corporation has offered members will be balloted on

By John Gapper

WHEN Mr Sam McCluskie says
the National Union of Seamen defiance of the High Court during is "skint", he is exaggerating.
But not by much.

But not by much.

Late 1.78m. Yet it cams out of the strike with a surplus of ment and £45,000 in fixtures.

As part-time treasurer of the TRAVELLERS FARE, the sta-tion catering subsidiary of Brit-ish Rail, has changed employ-ment conditions for new staff There were investments total-ling £1.43m, although the sell-to-survive strategy was reflected in the fact that these had been \$1.71m the year The general fund showed a deficit of £249,000 on the year. Outgoings of £2m included £53,000 in unemployment benefit for members, £31,300 in dispute benefit, £64,000 in dispute expenses and £25,900 in ballot-

Under the contracts, which also apply to those being promoted, the staff must agree to:

• Move between locations, with the company paying removal costs and expenses.

Undertake duties outside

 Be searched by a person authorised by the company if auspected of theft.

Meekly pattern.
Mr Trevor Little, employee relations manager, said the changes were intended to bring

A mintant fert-wing rac-tion, opposed to the leader-ship of Mr McCluskie, is pressing for merger with the TGWU transport union. The NUS affiliates to the TUC on a membership of

Within the NUS, it is thought that actual mem-bership could have fallen as low as 15,000.

Travellers Fare alters work terms

ment conditions for new staff
so it can vary hours of work,
alter staff duties and movs
employees to different regions.
Travsliers Fare, which has
emphasised its growing independence from the British Bailways Board since becoming a limited company in December, has implemented the changes despite union protests that they were not consulted.

their existing job description if

Work hours which may include variations on a set

changes were intended to bring Travellers Fare more closely into line with employment con-ditions set by other catering companies in the private sector.

Council to face action without a ballot

By John Gapper, Labour Staff

NALGO, the local government white collar union, plans to call an indefinite strike of about 5,000 white collar staff at Camden Council, north London today without first holding a secret ballot.

The strike – over compulsory

The strike – over compulsory staff redeployment to achieve a 20 per cent spending cut in the next financial year – reflects increasing tension between unions and some babour councils which have voted to implement expendent. nent savings.

The union said yesterday that it was relying on an earlier assurance from the Labour-controlled council that it would not seek a high court injunction to stop any industrial action under the 1984 Trade Union

Act.
It said that staff would probably be called out on strike immediately following a mass meeting this morning. A ballot to try to bring the action within the law would be held as quickly as possible following

that.
The dispute is over Camden's insistence that all staff agree to a change in their contracts allowing the council to redeploy them on other duties in their are no longer required in their existing job because of spending cuts.

The change in contracts has been agreed by staff belonging to the National Union of Public Employees and other in con-struction unions, but is being reisted by Nalgo, which argues

Camden has written to all Nalgo staff saying that their existing contracts of employ-ment are to be terminated because the union will not agree to the move. New ones including a compulsory redun-' dancy clause will be offered.

The council wants to cut its staff by 1,800 to 6,500 by April in order to reduce costs snfficiently to set a legal rate. A re-organisation of its financial resources may require staff to be redeployed extensively.

He said that they would be applied with fairness and discretion and would tend to affect senior staff most directly. Travellers Fare has 3 000 staff.

Mr David Dos David Dos David Mr Richard Rosser, assistant general secretary of the Transport Salaried Staffs' Association, said the changes had been made without consultation.

ment. He said that extensive staff cuts had already been affected. The strike would go ahead unless the council withdrew the letter insisting on new contracts.

strategy for merger. This is Nurses begin a week of YORKSHIRE BANK protests in hospitals Base Rate THE FIRST of this week's pro- whose attendance had been

McCluskie said in justifying a 20 per cent increase in membership subscriptions.

The union's 1986 return bers contributed.

test strikes by nurses took place yesterday with appar-ently little hostility at the hos-

pitals involved. Attention was focused on the Maudsley Hospital, south London, where members of the Cohse health workers' union had voted 179-13 for a 24-hour stoppage. Cohse represents the

great majority of the hospital's 250 nurses. Striking nurses were joined on a picket line outside the hos-

on a picket line outside the hospital by their union leaders and several Labour MPs, backing the call on the Government for better pay for health workers and sxtra funding for the National Health Service.

Mr Eric Byers, unit general manager of the psychiatric teaching hospital, said on BBC radio that the safety nursing cover agreed with the union had ensured all emergency

had ensured all emergency The main impact had been on doctors are expected to day care and out-patients, or join a demonstration.

restricted. "Existing in-patients are not going to suffer provided safety staffing levels are maintained," Mr Byers said.

Most of this week's planned

strikes and other protests take place today, although it remains unclear exactly how widespread the action will be. The National Union of Public Employees said yesterday that its members were planning strikes at 39 London hospitals. About 2,500 nurses would be

involved. Nupe and Cohse members at many provincial hospi-tals will also be taking action. Unlike Nupe, which has tried to restrict the protest to its nurse members, Cohse and other bealth workers' unions have not discouraged non-nurse members from joining strikes. At the Royal Free Hospital, north London nursing, ancil-lary, laboratory, clerical and teaching staff as well as some

teaching staff, as well as some

doctors are expected to strike

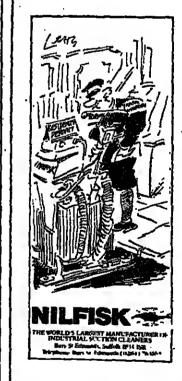
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Regulte to 31st October

| | 1987 | 1986 | |
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| Turnover (£000) | 163,934 | 120,191 | up 36% |
| Pre tax profit (£000) | 21,206 | 15,932 | ир 33% |
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Television/Christopher Dunkley

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Shura Cherkassky was in particularly ripe, astonishing form for his recital on Sunday. He allotted us only one candidly virtuoso number, "Releidoskop" by his old teacher Josef Hoffman: obviously of lunatic difficulty, but tossed off without a fleck on its madly glittering surface. He began, however, with a suite which may or may not be by Lully, and etched his way through it in a private, concentrated sort of way: that the Courants and Gigue sounded dazzling seemed almost an accident. Inflecting Lully's line with maximum elegance was the aim (totally successful), though transmuting the plane timbre into that of a celestial barpsichord — with nothing up his sleeve except his the second second Park the first of

> make an egg: The rest of the programme consisted of standard, respectable repertoire, such as Cherkassky loves to make surprising. What he cares about is ing. What he cares about is playing the piano superlatively well, which means lighting up this and that passage with fabulous, unforeseeable execution. Where there are sound, well-recognised routines for building np a familiar piece successfully that even unimaginative performers can master, Cherkesely, now the new mean than sky pays them no mere than token respect - or less, or none

Cherkassky/Festival Hall

David Murray

Thus his treatment of Schu-mann's Cornaval, in which he sketched the standard ebullience of the opening, the winsome introspection of Euse-bius" and so forth with some detachment. The real fun came with a higely magnified, high-brious "Pierrot," a grandly characterised "Chiaring" and "Estrella," a sudden burst of all-out brilliance for "Paganini," an inspired contrast between the "Valse noble" and "Valse allemande" as respectively trict-tempo and rubato-hish.
Cherkassky delivered
Franck's Probade, Chorale and
Fugue without rhetoric, let

rague without rhetoric, let alone bombast; his powers were devoted instead to rendering Franck's glney counterpoint translucent, though incidentally he created a ravisbing, unheard-of texture for the return of the chorale. For Choral was the culture siddle. nothing up his sleeve except his arms – was an eerie extra feat. It was like watching Faberge pin he made the quiet middle section of the Barcarolle a rapt section of the Barcarolle a rapt romantic epic, and then took the final climax with sweet decorum; contrariwise he kept the melting trio of the B-flat minor Schetzo severely in its place, and rather than drama-tising the whole piece – the normal and natural thing to do - he presented it as a gleaming formal structure. Next time it may be quite different. The fer-tility of Cherkassky's practical imagination (he is 77) is as astounding as the uncanny technical resource with which

Alan Gravill/Wigmore Hall

David Murray

After his Carnegie Competition prize, young Gravill'e piano recital in the Wignore last year won him golden opinions, so I hurried off there on Priday with keen interest. He did not disappoint, exactly, but he left some exposed room for hoping that he'll acquire some extra command before setting his cap for the touch international confor the tough international con-cert-market, which is unforgiving about first impressions

Gravill'a playing proved, as cravil'a playing proved, as reported, to be most judiciously coloured and sensibly phrased. He began Beethoven'a "Pathétique Sonata on a weightily suggestive first chord, and all the rest was astutely judged to excellent effect; it needed only a more assured long view to weld sentences into whole dramptic paragraphs, and to personate the paragraphs. matic paragraphs—and to per-matic paragraphs—and to per-suade us that a unifying dra-matic impulse drave it all along Gravill's shy platform-persons-was no help: these days as always, expertise and good taste are useful, but they need manner (such Beethover himself was lucky to have).

Chopin's B-flat minor calculating ear to Scherzo, at the end of the even-

ing, came boldly nearer the live mark — but after a pair of "hackneyed" waltzes (which means only that they're so potent that they're constanty played: the A minor, and the C-sbarp minor) which it is imprudent to essay without vivid new insights. Obviously Gravill is fond of them, but he gave them no special stamp.
Earlier, he delivered Debussy's first book of images so
stylishly - beautiful detail, con-

sidered depths — as to compel conviction. But the movements of that same composer's "Chil-dren's Corner" Suite scarcely crossed the (metaphorical) footcrossed the (metaphorical) foot-lights: insufficiently pointed, however sensitive, and in dif-fuse focus – like Ravel's Sona-time; which sounds properly transparent only when played with sure precision. Here, the gentle running semiquavers of its outer movements were as muzzy as those in Debussy's muzzy- as those in Debussy's "Doctor Gradus ad Parassum," which sig a parody finger ever-cise demands faultiese fingers. It is an English vice to let soft blaving become toothless and marticulate: Gravill's real gifts need reinforcement from a cool, calculating ear for what will



Television's tendency to reduce Television's tendency to reduce everything — religion, education, travel — to a game show is nowhere more apparent than in sport, and the winter brings out this tendency more clearly than the summer. It may be argued that "game show" is a pretty good description of sport; after all, schools refer to sport as "games," and we all talk about a "game" of football or tennis. But if you define a game But if you define a game

show as an event organised by television primarily for its own benefit, using noise, movement and crowd pleasing "personalities," rather than any significant schievement, to create, usually spuriously, or at any rate artificially, a sense of excitement and, if possible, hysteria in the onlookers, then the distinction between real sport and television sport starts to become clear. o become clear. That is not to say that televi-

sion's effect is always to destroy the seriousness of a sport. Darts is an example of the opposite: here was a trivial the opposite: here was a trivial pub game, a social adjunct to drinking, which television decided to exalt to an entirely new level of gravity. Darts requires no tactics, no foresight, no subtlety. It has about it no elegance, no beauty, no grace. It does not call for strength, stamina, agility or intelligence.

Its monotony, even at the

Its monotony, even at the very "highest" level, as displayed last month on World
Daris, has to be seen to be
believed. Shot after shot after
identical shot is aimed at the
same tiny area of dyed pig bristle: the treble twenty. Yet on television darts is treated with as much seriousness as tennis or cricket. For this we must blame, surprisingly, BBC2, the channel which first brought the

channel which first brought the game to the acreen.

However, it is American football which best exemplifies the way in which television reduces the sporting element of some events almost to an incidental. Sunday night's Super Boul on Channel 4 was hilled to begin at 10.45, but anyone who switched on at that time was obliged to endure 45 minutes of obliged to endure 45 minutes of promotional razzmatazz before

promotional razzmatazz before the match even started.

Presumably it was felt that if an honest atarting time had been given most viewers would have gone to bed. Instead of sport we had gossip, clowning from a couple of young British "commentators," and personally build-np on the players. This being American coverage, we also had an unconscionable number of advertising breaks, it became clear that in the US "football" really means commercials with occasional sports breaks.

BBCI's international Snooker BBC1's International Snooker

and BBC2's Bicentennial Test most have benefited by attract-ing a number of irritated C4 viewers. I certainly switched over to watch the entire cricket programme and would happily have stayed for more ... even though this Australian cover-age included such game show



American footballer Jim Kelly with Cheerleaders on Channel 4's "Super Bowl"

trappings as the cartoon duck who plods across the screen whenever a batsman is dismissed without scoring.

The occurrence of a three-way clash between sports pro-

grammes on a Sunday night in January is some indication of the way television has been changing. Sport is no longer reserved for weekends, let alone bank holidays: it has become a staple Item and is included in the schedules virtually every day. With cable television now running channels dedicated scholar to const dedicated solely to sport, broadcast television competes more flercely than ever for big events, and even the invention of special events for television

canoot keep pace with the

ehow the fatties having a "basho," but "it was well worth it." That, surely, is for us to say, and so far sumo does not look like becoming another

Once upon a time the BBC had coverage of the major pres-tige sports sewn np, but ITV cut through the BBC's hold on boxing and athletics some time ago. This season there have been reports of more big changes: the Football League is said to be considering a scheme to take control of its own tele-vision coverage, ITV has bought the rights to the New Zealand Test series starting next week, and they are bidding to take rugger away from the BBC.

The sad thing is that sport is Subjects are becoming more and more exotic. Last week C4 began covering Sumo, a sport which looks as though it was invented by Clive James as a work is better than any other invented by Clive James as a organisation's in the world; way of taking the micky out of British all-in wrestling and Japanese game shows simultaneously. For the commentary faith with the sports and the neously. For the commentary faith with the sports and the process of the sreas in which the sport is one of the areas in which the sport is one of the areas in which the sport is one of the areas in which the sport is one of the areas in which the BBC has always excelled. At its best their ontside broadcast work is better than any other organisation's in the world; work is better than any other are outside broadcast work is better than any other are outside broadcast work is better than any other are outside broadcast work is better than any other are outside broadcast work is better than any other are outside broadcast work is better than any other are outside broadcast work is better than any other are outside broadcast work is better than any other are outside broadcast work is better than any other are outside broadcast work is better than any other are outside broadcast work is better than any other are outside broadcast work is better than any other are outside broadcast work is better than any other are outside broadcast work is better than any other are outsided broadcast work is better than any other are outsided broadcast work is better than any other are outsided broadcast work is better than any other are outsided broadcast work is better than any other organisation's in the world; Lyall Watson adopts a tone of bad patches and helping to sushushed reverence, reminiscent tain the infrastructure, the of Richard Dimbleby's coverage of a state funeral, though Dimfrom which the great profes-

bleby would never have sional stars so often emerge. described anything as "so When Harry Carpenter unique." According to Watson it took five years to get permission for British cameras to pects" during the boxing at

Songmakers' Almanac/Wigmore Hall

Richard Falrman

Bethnal Green it was not clear whether this was a formal scheme, or simply a useful phrase, but the point is that the BBC cameras were there, on the nursery slopes, as they have been so often whether the sport the been so often whether the sport are being sharing schleiter. was boxing, skating, athletics,

or whatever.

No doubt many of the produc-ers, cameramen, and commenta-tors in ITV are just as talented, dedicated, and enthusiastic as dedicated, and enthusiastic as their BBC counterparts; very their BBC assective the same often they are exactly the same people sincs plenty have worked on both sides. Yet when ITV takes over a sport the game show element invariably increases. It is bard to eay whether this happens because ITV is determined to look different from the BEC because ferent from the BBC, because they are convinced that their viewers went more of the game show element, or because such treatment appeals to advertisers, but the difference is unmis-

Bowl, it seems obvious that British commercial television is simply taking its cue from its amply taking its cue from its American counterpart. In the coverage of the "US Skins" golf tournament in Sportsworld Extra last month ITV did not appear to have any choice: American television was clearly obsessed with overhearing the gossip among the players, despite its predictable banality (and a certain archness caused,

(and a certain archness caused, presumably, by the knowledge that millions were "eavesdropping") and ITV simply took what they were given. But in Athletics on Saturday it was plainly ITV'e own choice to abandon the preliminaries taking place in thick mud at Gateshesd and cut to a recorded interview with Zole recorded interview with Zola Budd, who was then built up by the commentators as the great white hope. For those of us who prefer real sport to electronic gossip there was some satisfaction in then watching the darling of the ITV commen-tators failing to finish in the first three.

Of course it is impossible to

draw a neat line between admirable packaging and objection-able bype, and anyway one man's meat is another man's poison. I have long been an admirer of the signature tunes admirer of the signature times used by BBC Sport to identify its coverage of cricket, skating, show-jumping and so on, and consider the Ski Sunday and Sportsnight themes as splendid examples of their sort. Others consider them over excited and wholly unpresent.

wholly unnecessary.
Yet whichever side you may stand on that, there is no denying that television is screening more and more sport; that the competition to catch the view-er's eye is becoming increasingly keen; that the trimmings are ever more elaborate and the purity of the sport ever more diluted; and that the tendency to convert sport into personal

ity game shows is accelerating.
One day perhaps cable or satellite will bring back the real
McCoy - at a price.

The Cherry Orchard/Brooklyn

Frank Lipsius

New Yorkers are used to seeing Chekhov in lavish productions like Andrei Serban's 1977 Cherry Orchard at Lincoln Centre, which set new standards with a glowing pink backdrop for the meanderings of a lost famlly sorting through their rich possessions for the last

Ten years later, Peter Brook reflects a new sense of impending susterity with a threadbare Cherry Orchard purposely reflective of its times. Gaev strikes the note in his comment, "I am a man of the eighties.
People don't think very highly
of me," which rings out in the
bare set consisting primarily of
oriental carpets at the Brooklyn
Academy of Music's Majestle
Theatre, a new venue established in October for the threemonth, solourn of Brook's

month sojourn of Brook's Mahabharata.

Long abandoned as a music hall and later a clusma, the stark ambience has been refurbished to look like Brook's Paris Theatre with the walls scraped to various layers of old paint. After the trio of three-hour stints for the nine-hour Mahabharata, Brook knows his andience can take two-and-ahalf hours of the Cherry Orchard without an interval. The four acts move impercepti-bly from one to the other. A carpet, for instance, is rolled np like a log to make the country scene of the second act, where Charlotta balances herself as though walking next to a creek.

The characters do not seem components of e single, if diffuse, society. Brook separates them into isolated souls, with conversations interepersed s stunni across the set like different audience.

scenes in a film. Most scenes take place between two characters on the vast open stage that rarely contains anything more than a single chair. Even the ball takes place behind screens, emphasising the isolated con-versations in the foreground.

The sheer simplicity of Brook's interpretation works so well because of the distinctive cast he attracted to Brooklyn. Gaev takes the pivotal role, the hopeless romantic who thinks that admitting his own weakness will somehow eave the estate. Erland Josephson, for-mer head of the Royal Dramatic Theatre in Stockholm, and a veteran of a dozen Ingmar Bergman films, shuffles to his own faltering rhythm but with charm and worldliness that make his confidence almost believeable. Natasha Parry gives Lyubov the effervescence that bubbles away unthinkingly, handing a gold coin to a wayfarer as her entourage laugh callongly and Stephanie waysarer as her entourage laugh callonsly and Stephanie Roth as Varys tries to stay her mother's impulsive hand. Linda Hunt is a bossy, no-nonsense diminntive Charlotta, while Brian Dennehy as Lopakhin pungustate the more proceed. punctuates the morose proceed-ings in the style of an American businessman with the insistent but good-natured advice to attract summer vacationers to the orchard.

The production slips by like the lives of the characters in accumulating sadness that has no respite. The sheer simplicity of the production, Brook's first in 30 years to be cast and staged in America, gives inter-secting disjointed conversations a stunning relevance to his



Eileen Thomas and Rudolph Walker

King of England/Stratford East

Claire Armitstead

That King Lear should arrive in modern Britain by way of the Central Line is highly appropriate if you happen to live near the Theatre Royal, in Stratford East; that he should be a black that deliver on the consolidity. tube driver on the eve of his retirement, intent on passing his wordly wealth on to his two daughters before returning to end his days in his native Trinidad is a marvellously resonant conceit, regardless of setting, but one which has not yet fully

realised its potential.

Barrie Keeffe's much-delayed King of England is a lament for a generation of black East Enders who came to Britain expecting Churchill to be waiting on the quayside to wel-come them, who managed to drown their disappointment in diligence, and who face the tough new England of the '80s confused about their own idenconfused about their own iden-titles and alienated by their children's. Mr King's golden handshake for 35 years' loyal service on the Underground is a digital watch which plays The Yellow Rose of Texas and tells the time in Jerra One development the time in Japan. One daughter (Eilen Thomas) is a brassy florist in a superior hotel; the other (Claire Benedict) is a nurse. Both in their different ways have rejected his 'years of gratefulness." It is a terri-tory well trodden by contempo-

rary black writers; Keeffe's claim to the subject is as a dra-matist of the East End. At the heart of his play is the image of Mr King — Learlike in his boozy melancholy — contemplating madness by the side of the tube line, in the company of a clown-ish Scottish meths drinker, after signing his house over to his rapacious younger daugh-ter. Rudolph Walker has a voice which rumbles sonorously up from his chest, capturing the paradox of an old man talking tragedy as the early morning fish train crunches his new watch to dust outside the Central Line depot (a scene evoca-tively framed by Jackie Pilford and Jenny Tiramani in a haze of city lights above steel sleep-

lt is a stirring moment, which is unfortunately long in arriving. Philip Hedley's production lumbers through the comedy of the first act, allowing his cast to pitch their performances where they will (right over the top, as far as Ellen Thomas is concerned; heavy of the does concerned; barely off the floor, when it comes to Paul Barber as her bingo club beau with a heart of gold). The writing itself is uneven, loosely structured and bordering on the sentimental burdering or sentimental burdering o timental but to Keeffe's credit he does not finally oversimplify his subject or his characters.

Gerard Kelly and Paul Higgins in "A Wholly Healthy Glasgow" by Isin Heggis, which opened on Monday at the Royal Court in London. Richard Wilson's tough and hilarious production of power games in a back-siley Glasgow health club was twice

The last piece of music that Gerald Moore played at his farewell concert was a sulo ver-sion of Schnbert's An die Musik. If a tribute to Moore is sought, Schubert is the obvious choice and for this memorial recital on Sunday the Songmakers' Almanac brought the great accompanist and his chosen composer together again, thus harnessing at the same time two of their own guiding

As always with programmes below the surface in his work ideal balance between characteristic and the demands of the surface in his work ideal balance between characteristic and the demands of the companist. Johnson is terisation and the demands of the least, now nead tone — to the companist of Schubert pization and the demands of the companist on the best in the list: be always seeks to give songs here were worth hearing music were represented.

team. (There is none of that artfulnees which is needed when intricate themes have to be sewn together.) The readings and music were always related, even to the point of placing an unflattering description of the short, squat composer next to his emotive musical depiction

of a dwarf in "Der Zwerg."

The inquisitive mind that searches out links of that kind almost certainly belongs to Graham Johnson, for one senses the same determination to look

figures in the piano part descriptive force and in the long, ballad-like "Viola" every verse seemed to support hie singer with a tangible change in

The piece went vividly, though not least because Ann Murray was in such splendid voice. Perhaps the last accolade of originality still cludes this artist as a Schubert interpreter; but more than any of the other Songmakers she has found an

and the best ("Nacht und Träume," "Lieb Minna") were outstanding. The other two singers were

more variable: Felicity Lott put the vocal part back in Moore's "An die Musik" with her cus-tomary musicianship, though the tone was a little less reliable than usual; and while Philip Langridge made up for any want of personality else-where, there is too much managing of the voice - now covered, now head tone - to make him easy listening in Schnbert. At least, one way or another, all aspects of the composer's

Arts Guide

January 29-February 4

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power games in a back-anny triasgow notific clab was twice reviewed on this page last year, at the Royal Exchange in Manchester and subsequently at the Edinburgh Festival. The author's new play, "American Baggipes", opens in Manchester on Thursday and will be reviewed on Saturday's arts page.

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FINANCIAL TIMES

Theatre LONDON

The Phantom of the Opera (Her

The Plantom of the Opera (Her Majesty's). Spectacular emotionally nourishing new musical by Andrew Lloyd Webber emphasising the romance in Leroux'e 1911 novel. Happens in a wonderful Paris Opera amblence designed by Maria Bjornson. Dave Willerts has succeeded Michael Crawford as the Phantom. (839 2244, CC379 6131/240 7200). Follies (Shaftesbary). Stunning revival, directed by Mike Ockrem and designed by Raria Bjornson of Sondheim's 1971 musical in which poisoned marriages nearly undermine an old burlesque remion in a doomed theatra. Four new songs, improved book by James Goldman. Cast led by Dolores Gray, Julia McKemie, Diana Rigg. Daniel Massey. All good. (379 5399). Serious Moasy (Wyndham's). Transfer from Royal Court of Caryl Churchill's slick City comedy for champagne-swilling yupples: how the Big Bang led to class tumult and barrow-boy deslings on the Stock Erchange. Hot and livid, but new cast detened less good (836 3028, CC 379 5585). Small Family Business (Olivier). Brilliant new Alan Ayekbourn play about Britain on the fiddle in greedy times, selling out to foreigners and keeping it simultaneously in the family. A comedy thriller on the large scale (628 2252).

2252).
South Pacific (Prince of Wales).
Average, traditional revival of the great Rodgers and Hammerstein musical, Gemma Craven failing to wash the baritonal Emile Belcount out of her hair.
Shirley Valentine (Vaudeville).
Panine Collins in time and funny

monodrama by Willy Russell of liberation for a Liverpool house-wife on Corfu. Shades of Ibsen's Nora and Becker's Winnie, with lokes, (838 8987, CC 379 4444).

A View from the Bridge (Aldwych). Michael Gambon as Arthur Miller's Eddie Carbone gives one of the greatest performances of recent years. Alan Ayckbourn's supple National Theatre production camouflages the play's flaws. Ends Feb 20 (836 6404, CC 379 6233).

6233).

A Wholly Healthy Glasgow (Royal Court). Scabrously funny new play by Ism Heggie, structurally similar to David Mamet's American Buffalo, but set in a back-elley Glaswegian health club. No simultaneous translation provided. (730-1745).

NEW YORK

NEW YORK

Fences (46th Street). August Wilson hit a home-run, this year's Pullizer Prize, with James Earle Jones taking the powerful lead role of an old baseball player raising a family in an industrial city in the 1950s, trying to improve their lot but dogged by his own failings. (221-1211).

Cars (Winner Garden). Still a selfout, Trever Num's production of T.S. Eliot's children's poetry set to trendy music is visually startling and choreographically feline, but classic Ohly in the sense of a rather staid and over-blown idea of thearricality. (239 6262).

2nd Street (Majestic). An immodest celebration of the heyday of Broadway in the 1830s incorporates gens from the original film, like Shaffle Off To Buffalo, with the appropriately brash and leggy boofing by a large chours line. (977 9020).

A Choras Line (Shubert). The longest committee musical ever in

A Choras Line (Shubert). The lon-gest-running musical ever in America has not only supported

Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as auditions rather than emotions.

La Cage anx Folles (Palace). With some tuneful Jerry Herman songs, Harvey Fierstein's adaptation of the French film manages barely to espure the feel of the sweet and hilarious original between high-licking and gaudy chorus num-bers. (757 2626).

I'm Not Eappapert (Booth). The Tony's best piay of 1986 won on the strength of its work-of-mouth popularity for the two nidsters on Central Park benches who bicker uproarlously about life past, present and future, with a funny plot to match. (239 6200).

Les Miserables (Broedway). Led by Colm Wilkinson repeating his West Endrole as Jean Valjean, the magnificent spectacle of Victor Hugo's majestic sweep of history and pathos brings to Broadway lessons in pageantry and drama, if not strict adherence to its original source, (239 6200) source. (239 6200).

Starlight Express (Gershwin). Those who saw the original at the Victoria in London will barely recognise its American incarnarecognise its American incarna-tion: the skaters do not have to go round the whole theatre but do get good exercise lo the spruced-up stage with new bridges and American scenery to distract from the hackneyed pop music and trumped-up silly plot. (586 6510).

Me and My Girl (Marquis). Even if the plot turns on ironic mimicry of Pygmalion, this is no classic, with forgettable songs and dated lead-enness in a stage full of charac-ters. But it has proved to be a durable Broadway hit with its

marvellous lead role for an agile, engaging and deft actor, prefera-bly British. (947 0033).

WASHINGTON

Enrico IV (Arena). Pirandello's mystery of the man who imagined himself as Emperor Henry IV of Germany is staged by Zeida-Fichandler. (488 3300). Ends Feb. 21.

CHICAGO

Passion Play (Goodman). Peter Nichol's clever twinning of the major characters as they conduct a duplicitous affair adds a sharp edge to the view of contemporary life in London. (443 3800). Ends Feb 13.

TOKYO

Montgomery, Plant & Stritch

Antony Thorncroft

Montgomery, Plant and Stritch - not another advertising agency but a trio of Texans harmonising over diners at the Ritz for the next few weeks. Why London never developed a cabaret tradition to match that of Paris or Berlin; why today sophisticated late night enter-tainment is as hard to find in the capital as a Northern Line train are questions best left to Benny Green. The answers probably lie in the innate phi-

TOKYO

35 Steps (Aoyana Theatre). Soog and dance with the Shild Theatre Company which specialises in musicals and which is celebrating its 35 anniversary this year. The evening features 36 extracts from past, present and future Shili productions – from West Side Story to Phantom Of The Opera. (0120-489444). Ends Feb 21.

Kabuki (Kabuki-Za). Tokyo's main Kabuki

romance." With six hundred songs under their tonsils the actual programme changes by the night, and they are open to suggestions, but on Monday they started with "I get a kick out of you" and ended incon-gruously with a rock and roll medley, including "Great balls of fire." In between was the best of the rest.

Billy Stritch is the man at the piano; Rebecca Plant Is the pretty one; and Sharon Montgomery is kooky. They all get extended solo spots and when you hear Stritch perform "A nightingale sang in Berkeley Square," (de rigeur for every Ritz cabaret and why not) you wonder why the girls are there. They harmonise nicely, and have some communal fun out of a merger of "Holiday for strings" and the "Sabre dance" but MPS are far from being Manhattan Transfer.

bouncy and imaginative, stronger on energy than emotion. That awful table that competes in raised tones and banal conversation fell silent quite early on. Anyone preserving the respectable night spot tradition in London deserves thanks; Montgomery, Plant and Stritch

They are, however, bright,

FINANCIAL TIMES

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Wednesday February 3 1988

Test case for privatisation

privatise the British electricity industry than to do it badly. The mistake made with British Gas - the creation of a private monopoly with inade-quate regulation - must be avoided. Yet in electricity the right mixture of competition and regulation will be even harder to achieve than in gas.

Is it worth trying? One study, by Mr Allen Sykes and Mr Colin Robinson, has estimated that competition could reduce costs within England and Wales by about £1.2bn er annum within five years. Half of the savings come from lower fuel costs, based, not on a massive rise in coal imports, but mainly on the authors' assumptions about how the British coal industry would respond to a more competitive market. Greater competition in generation, reflecting the shift away from an over-centralised, producer-dominated structure, would producs economies in operations, especially in manpower, and in the use of capital. As long the benefits of structural change clearly outweigh the risks, these gains are worth having.

Regional groups

Distribution, overshadowed at present by the generating side, would have a larger role in any new structure. The 12 Area Boards in England and Wales could be converted into five or aix regional groups and sold to the public. Regula-tion would be based on the principle of "yardstick compe-tition," which gears allowable prices to the costs of the most efficient company and builds in incentives for cost reduction, especially in the purchase of power,

Some supplies would come from smaller stations and combined heat and power schemes feeding directly into the area networks. But the bulk would come from large power stations and the national grid, both of which are now controlled by the Board. Given easier access to the grld, the distributors could negotiate directly with new entrants to large-scale generation and thus gradually erode the CEGB's dominant position. The central issues are whether the regulatory system, especially in relation to the grid, can be devised in

new entrants, and how far it neceasary, at the same time, to break up the CEGB into smaller units.

it is possible to exaggerate the scope for competition in generation — a high degree of co-ordination will always be necessary - but real pressure on the CEGB ia unlikely to arise unless it faces actual, and not merely potential, competition and unless its control of the grid is trans-ferred to an independent com-pany, whether privately or publicly owned. (The existing and planned nuclear stations, to which the Government is committed for reasons of fuel diversity, would probably have to be vested in a cont inuing CEGB or a aeparate state-owned company.)

Dominant position

some CEGB assets, perhaps amounting to 10 per cent of its capacity, into a separate company, along the lines of Mercury in telecommunications. The problem is that the CEGB would still have a dominant position and would have to be subject to heavy regula-tion of a sort with which the UK has little experience. Mr Sykes and Mr Robinson argue that duopoly would make matters worse, since control of the CEGB would be transferred from the Government to a regulator whose ability to limit profit-maximising behaviour would be questionable. Moreover, once the CEGB is privatised, it would be very difficult to change the structure except at the mar-gin; the risks facing a new entrant, without a portfolio of existing stations, would be formidable.

The preferred approach must be to split the CEGB into several separate companies. For the Government to reject this radical option it would have to be persuaded, first, that the costs and disruption are unacceptable and, second. that a Mercury-type solution, tory regime, would in practice encourage new entrants and reduce costs. It is in any case essential that, after the White Paper is published next month, sufficient time is allowed for the costs and benefits of different approaches to be fully and publicly dis-

Reconciliation in Davos

THE MEETING of the Greek and Turkish Prime Ministers in Dsvos has produced a more promising atmosphere between the two countries than at any time since the Turkish intervention in Cyprus in 1974.

The result of that interven-- Turkiah occupation of two fifths of Cyprus's territory - has become quasi-permanent, and has poisoned Greco-Turkish relations ever since. Although the suspected presence of oil under the seabed (which Turkey claims as her own "continental shelf") around the Greek ialands in the eastern Aegean might, in any case, have caused tension between the two countries during the 1970s, the atmosphere of mutual diatruat stemming from the Cyprus crisis made such conflicts far more difficult to manage.

That atmosphere has been s source of concern to Nato, especially since Mr Andreas Greece in 1981. He made It clear that he regarded Turkey, a Nato ally, as a much greater threat to Greek security than the Warsaw Pact, and that his main reason for staying in Nato was that outside it Greece would be even more exposed to Turkish aggression. Since 1983 he had been refusing any dialogue so long as Turkey did not rescind her recognition of the Turkish Republic of North-

Now he has dropped that condition and embraced the policy of trying to improve relations with Turkey through dialogue. There seem to be a number of reasons for

that sudden change of tack. The strongest must be the scare that both countries received last March when they very nearly blundered

manship on the part of Mr Ozal, the Turkish Prime Minister, when he arrived back from his heart operation in the US. Mr Papandreou evidently learned to respect Mr Ozal, both for this and for his success in emancipating his Government from military tutelage – symbolised, after his triumph in last November's elections, by the imposition of his own nominee as Foreign Minister.

Another reason must be the realisation that Turkey's application for EC membership creates opportunities for only be exploited in a positive atmosphere. Turkey has solid reasons to be concillatory over both Cyprus and the Aegean, once it is clear that she has a real hope of over-coming Greek hostility.

It is very important that both leaders ahould devote themselves personally to building on what has been achieved: such reconciliations need constant nurture, as the history of the Anglo-Iriah Agreement shows. It is also important that third parties with an interest in cementing the new relationship - which means above all the Nato alllea of both countries should understand that it has been made possible only by both sides agreeing that Cyprus "belongs to the international arena and should be

The UN cannot achieve anything unless member governments - particularly permanent members of the Security Council with a strong interest in the problem at hand - put their full political weight and diplomatic ingenuity behind it. Thus the improvement in Greco-Turkish relations creates both an opportunity and an obligation for third parinto war as a result of a mis-understanding. That crisis the US, to make a new effort was defused by timely states- to solve the Cyprus problem.

Max Wilkinson looks at the problems facing Britain's Energy Secretary over electricity privatisation

DISPOSAL of the £37bn electricity industry may prove simple compared with the selling job Mr Cecil Parkinson, the Energy Secretary, will face when he publishes his plans for the project in a few

His scheme for the world's largeat privatisation will please neither the radical free marketeers within his party, nor the largely conservative lobbies within the industry. Nor can Mr Parkinson count on much popular support. Public opinion surveys have consistently shown that about 70 per cent of voters are indifferent or hostile to the privatisation of electricity, with a decisive majority opposed to the sale of nuclear power stations.
The fiasco of the Govern-

ment's £7.2bn sale of British Petroleum shares, and public discontent with the behaviour of privatised British Gas and British Telecom, have placed Mr Parkinson on a alightly shaky platform as he prepares to launch a plan based on compromise.

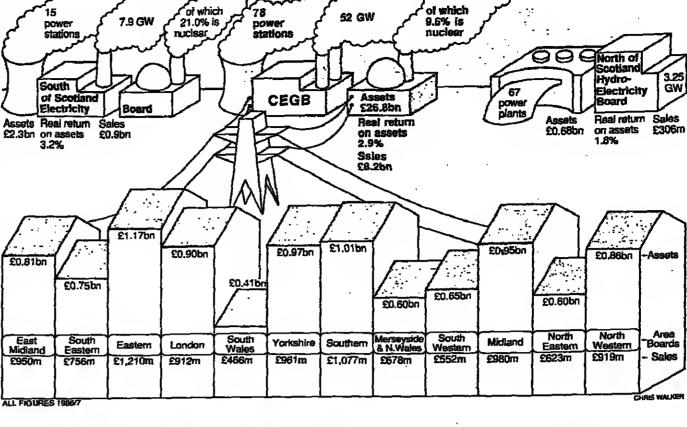
He will admit that his blueprint for the industry is less than ideal from the point of view of promoting competition. He has been preparing the ground for this by many public references to the Government's commitment to nuclear power.

This is now seen to be incompatible with the desire to regroup the UK'a 78 power stations into four or five competing companies - White-hall's "radical option" - for several reasons. The most One possibility is to hive off important is a widespread belief that smaller private companies would be reluctant to take on the financial and political risks of nuclear power, especially at a time of weak coal and oil prices.

But even if privatised electricity companies could be induced to smile upon the nuclear option, Mr Parkinson faces a second difficulty - of timing. The Government's present plans for a family of half a dozen Presaurised Water Reactors only makes economic sense if costs can be minimised by arranging each project to follow smoothly from the last. If the industry were to be radically shaken up, delays would be inevita-ble before a new private company could determine its nuclear strategy and submit planning applications. It would be highly unlikely in such a case that the next nuclear project could go ahead at Hinkley Point, Somerset in the next two or three

years as planned. The Government's nuclear policy is only half of Mr Parkinson's difficulty, however. He and his advisers have discovered in their seven elementary physics, geography and politics of electricity that the industry is far more complicated than the drafters of the Tory manifesto seemed to believe. He also discovered that his predecessor in office, Mr Peter Walker, had done hardly any preliminary work for privatisation, and in one impportant respect had allowed the industry to proceed in the opposite direction. In the early summer, when

be started an exhaustive kinson's Instinct was to make round of consultations, Mr a virtue of the differences by Parkinson discovered that, establishing a privatised



A broken circuit for ideology

like Caesar'a Gaul, the elec-tricity industry south of Scot-rate enterprises and as much land divides into three parts. Much the largest is the Central Electricity Generating Board, which owns and runs all the power stations and the transmission grid. The CEGB is one of the largest and most powerful electricity enter-prises in the world, widely admired for its operational competeoce, but attacked by critics for building too many expensive power stations in the 1970s and for the poor performance of its Advanced as-cooled Reactor (AGRs).

The second part comprises the 12 area boards, which distribute and sell power to nestic and industrial users. In economic terms they are mere satraps of the CEGB because they are forced to buy all their electricity from the board at the prevailing bulk supply tariff. Third, the Electricity Council sits like the court of an enfeebled emperor, in nominal control of the the whole industry, but CEGB's strong cash flow, its technical skills, its obligation to keep the lights burning and a certain corporate arrogance enable it to push aside most opposition.

North of the Border, the South of Scotland Electricity Board is a self-contained generator and distributor with a growing surplus of nuclear exports to the south. When first confronted with

the warring factions, Mr Par-

competition as possible.

He decided at an early stage that the SSEB would be sold as an integrated regional monopoly, with perhaps an enhanced ability to sell power competitively to the South. He also rejected at an early stage the idea of using the SSEB as a model for the creation of five or six integrated power monopolies in England and Wales. This would have been highly disruptive to the industry and could oot possi-bly have been fitted into Mrs Thatcher's desired timetable of completing the job in a sin-

gle parliament.
The most seductive model then was to sell the boards as separate companies (perhaps allowing them to merge into four or five groups), to remove the transmission grid from the CEGB's control and to to sell its power stations to four or five companies.

That way, he was told, five generating companies, each with a turnover of about \$2bn would create a market for power to be sold on long-term contracts and through a spot market to the separate distribution companles and any industrial com-panies which wanted to enter the bidding. The transmission grid would be open to all to facilitate trade just like a network of toli roads.

At this point the objectors headed by Lord Marshall of the CEGB started pouring into Mr Parkinson's spacious office overlooking the Thames. Soms of their argu-

 The grid is not like a motor-way open to all, because it is used constantly to ensure that only the most economical power stations are kept running as demand varies. Grid controllers must have the authority to switch plant on and off to minimise overall costs and ensure the lights stay on. This lesves little transmission capacity avail-able for free trade.

 The distribution companies must be carefully regulated to prevent them from making monopoly profits. But the regulator cannot know whether price increases are justified unless he can be sure that generating companies are not trying to pass on excessive fuel costs as a result of inade-quate investment. The scope for competition among generators would therefore be lim-lted by the activities of the regulator.

• The industry's trade ment, would object strongly to a scheme which involved the forcible transfer of staff to companies which do not nies decide what they need exist and have no track And all this to be tied neatly

 Some central body must ensure that enough power stations are built to meet expected future demand. It would be risky to leave this obligation entirely with small distribution companies which have little experience of forecasting and procurement and no generating plant of their

ments could not easily be dismissed. The most important (perhaps the grid company) were:

were:

would overshadow the free

Many of these objections were countered in the volumi-nous writings of Mr Alex Henney, a consultant whose work has been published by the Centre for Policy Studies, the Conservative think tank. He said that the necessarily close co-operative relationships between all the players could be overlaid by a network of contracts and spot markets. These markets, he said, would allow notional flows of electricity to be quite different from the actual physical flows, as happens in the oil and other commodity mar-

Poor Mr Parkinson! His head must have been spinning. A free market, it seemed, required the re-allocation of £37bn of assets to companies which do not exist, with managements as yet untried, with a network of contracts using accounting and a computerised clearing system which cannot be ordered until all these compain legal ribbons ready for sale in less than two years.

Then, inst suppose Lord Marshall's heavyweight warn-ings turned out to be right and the new machine failed to work as smoothly as the theorists believed . . . On the other hand, the

opportunity for a slower, he fills in more structured approach this year.

had been squandered. After the Tories' election victory in 1983, little thought was given to any scheme which would have required the CEGB to prepare for eventual break-up. Instead, the board was allowed to dismantle its five regional divisions.

The grand nuclear imperative was therefore rather convenient in one sense. It has aliowed Mr Parkinson to short circuit many difficult concep-tual problems about dismembering the industry, as well as the inconvenient political fact that if he opted for the "radical option", he would have relatively little to show for his work at the end of this parliament.

So in spite of his often expressed desire to promote competition, the options he will present to Cabinet are fairly modest. The central fairly modest. The central proposition appears to be that the CEGB should keep control of all of its generating plant in exchange for an obligation to promote the nuclear cause. It seems likely to lose ownership of the grid, whose pricing structure must certainly be supervised by a regulator. However the board seems likely to retain effective operational control of the grid in a ational control of the grid in a company which is likely to be non-profit-making and jointly owned by the whole industry.

Even at this late stage it appears that ministers still do not know exactly how the side issues surrounding the main question will be

But the thrust of Mr Parkinson's approach is already evident. He will stress the diversity of the industry in comparison with privatised telecommunications and gas.
The CEGB, he will say, is already subject to competition from Scotland and France, which may increase. Distribu-tion companies will be allowed to build their own power stations if they wish or form consortia with banks for a major project. The regulator will protect such small fry from the CEGB, which will be obliged to guarantee back-up supplies at reasonable cost.

Moreover, he will say, some £15bn of new power stations will be ordered by the end of the century which allows plenty of room for competi-tors. He might split off some of the CEGB's power stations into a smaller separate com-

Yet at the end, he will have to answer that difficult question: "Why do it at all?" He may argue that it will result in cheaper electricity, because private companies will buy cheaper coal and bulld cheaper plant. Yet he decided this autumn to force electricity prices up by 15 per cent over two years, saying that private investors would require higher returns if they were to build new power stations. So will more efficiency result in higher profits or lower prices? That will depend mainly on

the powers of the regulator. If he is strong, consumers will benefit. If the regulatory framework is "light," the Treasury will get maximum proceeds from the sale. This dilemma has not yet been faced; it will be Mr Parkinson's next big decision when he fills in the small print later

Lords of the arts

■Obviously, there are better things in life for ex-Tory Minis-ters than running power sta-

Who would have thought when they came to power in 1979 that after a few years in office the now Lord Prior would be at GEC, Lord Gowrie at Sotheby's and, strangest of all, that Lord Carrington, once Foreign Secretary and still Sec-retary General of Nato, would be preparing to take over at Christie's?

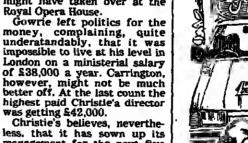
For Carrington it looks like For Carrington it looks like being a pretty full time job. "He will be here five days a week; seven if necessary" says Chris Davidge, group deputy manag-ing director. Gowrie st Sothe-by's works a 12-14 hour day six daya a week. Christie's wants Carrington

for his international connections, which must be among the best in the world. In 1992 the European Community is due to become a genuinely common market and the dominant British salerooms. Christle's and Sotheby's, will be free to hold auctions in France as well as the other lucrative European countries. Carrington is the man to lead them into this global future. Besides, his friends aren't poor; some of them should in future be more inclined to sell off their art treasures through Christie's. Gowrie heard the news of the new competition only on Mon-

day. He says he is delighted.
Apart from old times, the pair
of them have a good deal in
common. "The two old girls."
says Gowrie of Christie's and Sotheby's, share 60 per cent of the trade. We have collective problems." For example, how to deal with VAT on art or the question of srt theft and insur-ance. Together they could have the makings of a formidable arts lobby in the Lords.

Gowrie's background in the arts and literature was well enough known. Carrington's is not non-existent. He is retiring chairman of the Trustees of the Victoria and Albert Museum and, when at the Foreign spent what sometimes seemed Office, introduced some modern like a lifetime occupying the





management for the next five years. As well as taking the firm into Europe, Carrington has a defensive role. The comhas a detensive role. The com-pany has been the subject of takeover talk for years. With around 30 per cent of the shares owned by Jo Floyd, the outgoing chsirman, and bis family, and fellow director Guy Hannen, also in his mid-aixties, it is always on the look out for sympathetic purchaser should sell out become unavoidable. Lord Carrington could be just the man to guide the company towards an acceptable white Gowrie Incidentally Intends

to take a sabbatical shortly to elp the Government with the passage of the Education Bill through the Lords. Carrington's political intentions when he returns from Brussels are

Still not out

■Dennis Amiss, the former Warwickshire and England cricketer, is joining Hodgson Holdings, the funeral director. Amiss, who burisd many a fast powler during his career, has been appointed director of acquisitions, research and development and public rela-

tions.

Amlaa ia likely to be busy since Howard Hodgson is an acquisitive company, buying 14 businesses in the last financial year. It may be remembered he



Ah - but what you lose on higher interest rates you'll gain on miles per gallon."

crease with Geoff Boycott opening for England. Both liked to Amiss is following in the footsteps of another English sportsman who entered the funeral businesa. Ray Wilson who played full back in the 1966 World Cup team, runs a successful undertaking business in Huddersfield.

Small-town Sam Sam Walton, who said this

week he is withdrawing from the day-to-day running of his retailing empire, is America's richest man. His stock in Wal-Mart, the chain of discount stores with which he has covered the rural south, is worth over \$6bn and that is not all he

Walton, just short of his 70th birthday, wears his fortune lightly. When the stock-market crash wiped out a quarter of his wealth, he shrugged and said: "it's just paper". He lives quietly in small-town Arkansas, drives a Ford pick-up, and sometimes materialises to help out at one of his own checkouts. His only luxury is a Cessna aircraft to visit outlying Though Walton is stepping down as chief executive, his friends expect him to stay on as an active chairman. Boro for the cup

This space is not known for its sporting prognostications so it's high time it had ons -Middlesbrough for the FA Cup. The forecast is based not ao much on Middlesbrough's standing in the football league
they are third in Division
Two – but on the ludicrously
long odda of 150-1 against
offered by Ladbroke who have
made Liverpool the favourites

Acceptiog that
Middlesbrough have a replay to
overcome tonight, the same can
be said of Blackpool, quoted at 125-1. A quick glance down the divisions reveals that Blackpool are languishing midway down the third between Aldershot

Newcastle United look an attractive proposition at 12-1, but Middlesbrough are surely the team to beat. Assuming they put Everton out of the way, they will meet Liverpool in the last 16 way, they will in the last 16. Detractors, and there are

bound to be some, may argue that Liverpool are the stronger side since they are unbeaten in the league. Indeed they have been beaten only once this season, by Everton in what used to be called the League Cup. Logic dictates that since Middlesbrough drew away to Everton last Saturday they should be capable of beating them with home advantage. If Everton could best Liverpool, so, therefore, can Middlesbrough who,inclden-tally, have never woo the cup

The rest should be plain sailing.

Lie detector

Fax messages from the new, designer-styled Department for Enterprise (the DTI, that is or, perhaps rather, was) now come from something which is described on the cover sheet as a "facsimille machine." This may be a high-tech way

of being economical with the truth. Alternatively, could it be that there are lies, damned lies



1

احكذا من الاصل

David Barchard, until last month the FT's correspondent in Ankara, describes Turkey's transformation since the 1980 coup

A bumpy ride into the modern world

as a foreign journalist, lt stopped being a hardship post. The privations of daily life in Turkey – the power cuts and shortages of everything from light bulbs to pet-rol, ended. Instead the Turks, a great nation of consumers, solved

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their foreign currency prob-lems and started making up for lost time. First whisky and Nescafe reappeared in the shops. Later more exotic goods became available. My corner shop began to sell Most & Chandon champagne and stocks sold out within

Meanwhile the Turkish capital, and indeed most of the country, turned into a vast building site. Smail shabby buildings were being replaced with gleaming larger ones. Pipes, roads, dams and other public works were visible verywhere. The country is still a pre-

dominantly agricultural society. In Third World fashion, shanty towns exist cheek by jowl with new blocks of luxury flats. Peasant families, the men in Anatolian caps and the women veiled, wander obliviously past shop windows displaying electronic marvels of a different age. Yet a dynamic commercial

impulse seems to have been unlocked by Mr Turgut Ozal, Prime Minister since late 1983, which is not only transforming Turkey's appearance but serving as the mainspring of its drive to eatch up with the advanced industrial economies. The question is whether this will be enough to propel it away from underdevelopment.

Turkey's economy, stagnant in the 1970s, is now one of the fastest growing in the Organisation for Economic Co-operation and Development, enough to arouse hopes of an economic miracle of South Korean proportions.

Gross national product grew by 7.9 per cent in 1986 and 6.7 per cent last year (although per capita GNP is

AT SOME TIME during the well below that of the rest of eight years I spent in Ankara the OECD, at about \$1,000 (\$565) a year). The transformation is real.

When I arrived in the country, the same cities which are beginning to look so opulent today were paralysed. Theat-rical productions played to empty houses because shooting on the streets made people afraid to go out at right. You never needed to book a restaurant table because few people had any money to spend on eating out.
Ankara and Istanbul are

now awash with expensive restaurants. By next year Hil-ton and Sheraton hotels will serve the Turkish capital, which until recently was one of the few European or Mid-dle Eastern capitals without a hotel from an international

Wealthy Turks used to travel to London to shop. Now they not only buy things at home, but sometimes they even go for local products rather than foreign ones. Mr Ozal's export drive has fos-tered new standards of quality among Turkish husin Turkey is rushing to take

the place once occupied by Lebanon as the Middle East'e commercial powerhouse," explains one American busineesman who has been following the country since the 1960s. Not all businessmen share his view, but it is probably fair to say that optimism is strongest among the old hands who knew the bad old days. Turkish views of the aston-

ishing contrast tend to be blurred by stolcism. During the emergency of the late 1970s and early 1980s, families coped uncomplainingly with the sort of disruption to daily life which normally comes only in war-time, including the deaths of relatives and friends. The revival of the mid-

1980s has gone almost equally unremarked. Ordinary Turks can often be heard saying that they are glad that law and order have been restored. However, other

life excite less gratitude, though everyone scrambles to grab what they can from Mr Ozal's commonpia.

There is also some scepticism about how long the boom will last. Is it just a reflection of heavy foreign borrowing? Under Mr Ozal, Turkey's external debt burden has risen from about \$16bn to \$35bn, although this is partly a result of the fall of the dolr. Turks have seen too many balance of payments crises not to wonder whether another is around the corner.

There are deeper questions too. The Far Eastern countries, which Mr Ozal admires, mostly have a much stronger administrative. educational and cultural basis for their

Turkey is still psychologi-cally isolated from the rest of the world. This has deep roots in a society which has had uneven success in adapting to Western ways. The school system is insdequate by any standards. Classes of 80 are common, laboratory facilities are non-existent. The system encourages learning by rote and unthinking obedience; it does not welcome originality and initiative.

Students in large cities memorise, chest and work long hours in private crammove this decade to reduce the amount of information given to young Turks about the outside world and to emphasise national listory and "national geography".
They are also politically

polarised, though the divisions have yet to erupt again into open violence as they did a decade ago in the chaotic years before the 1980 military coup.

Then the division was

between the neo-fescist Grey Wolves and Marxist revolutionaries. Today students are divided between the left, cratic values. headed by the Social Demo-crats, and the increasingly pro-lalamic right,"

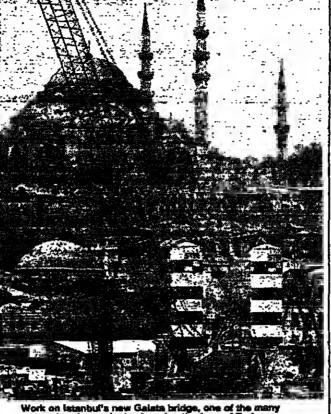
simost without parallel in - for

There is an old and sensible

women who have contributed

candidate: the monnet.

One professor at Ankara's English. Turkophone culture strong enough to Political Science Faculty, the is dreamly politicised, being pluralist society.



training ground of the higher civil service, says: "Islamic student leaders tend to have connections with ministries before they graduate. You tries, notably the Interior and Education, unless you are a member of an identifiable

Islamic group."
No one knows whether Islamic reassertiveness signals long-term social and political dangers, or a tempo-rary dualism created by the overlapping of traditional and modern cultures. Under Mr Ozal, the state-

controlled television pays lip service to Islamic fundamentalism. But its weekly schedules also include hours of rock music and other programmes which seem intended to foster Western

More recently, in a country where all official utterances are made with ashen-faced solemnity, the Government has arranged television showings of old episodes of the RBC production, Yes, Minis-ter. A Turkish Cabinet minister explains that this is a conscious step to enhance the nation's political maturity and understanding of demo-The best educated Turks

lead a disconcertingly large amount of their lives in

Home thoughts

on abroad

between officially approved works sanitised to the point of banality, a bigoted oppositional Marxist subculture and increasingly powerful Islamic revivalist currents. Could one of these become a

political movement, perhaps feeding on the social noheavals which go with rapid eco-nomic growth, and reverse the Western orientation of Turkey in the last half cen-

Both the Marxists and the Islamic revivalists woold dearly love to do so. For the time being their way is blocked by the power of the army, which sees itself as guardian of the political and constitutional settlement it imposed on the country in the 1920s, under Ataturk, and reinforced after 1980. But much of Turkey's outward calm is maintained by draconian legislation which

and political discussion.

The hope must be that, if the present wave of commercial and industrial change achieves its goals, Turkey will be able in another generation to remove the straight-jacket imposed by the guardians of the state. Then, rather as Spain did in the late 1970s, it its Western institutions are strong enough to survive in a

restricts associations, unions

UK science and technology

In search of a marriage of convenience By Roger Williams

THE PRINCIPLE of the lever has had until recently an

is striking and great achieve-ments can result from small mitiatives.

In November 1987 it was announced that a Centre for Exploitation of Science and Technology (CEST) was to be established in Manchester, drawing oo the resources of a consortium of universities in seeking to influence the shape of UK science and technology. Eighteen companies had put in £250,000 each, and government £1m, sufficient to cover the operating costs of a small professional staff.

The centre had taken longer in gestation than an elephant, dating conception from the Prime Mioister's letter of roumendation to October 1985. This had prefaced the 1986 report, Exploitable Areas of Science, made by a working party set up by the Advisory Council for Applied Research and Development (ACARD). This body was (ACARD). This body was econstituted as the Advisory Council for Science and Technology (ACOST) last year, and it will have close links

with the centre.
The ACARD report, though lacking in clarity, could lay claim to being the most radi-cal document on British science and technology since the war. It contained the key recommendation that a "process...be established for Identifying exploitable areas of science, which has some certainty of continuity, for the long-term economic health of the country." The report defined an exploitable area of science as one "in which the body of scientific understanding supports a generic (or enabling) area of technological knowledge; a body of knowledge from which many specific products and processes may emerge

However, while the report gave cines, the process ACARD was advocating was not precisely defined, nor has it been defined since.

Exactly what has been wrong with Britain this last century as others have out-stripped it economically, and bow important even now should be the country's emphasis on material improvement as against other objectives, are both matters of opinion. But among the relevant facts are that the UK in both the research councils

excellent scientific record, as evidenced by its count of Nobel Prizes; that British industrial companies have spent substantially less on research and development (R & D) than their competitors abroad; and that government has more than once invested large sums oo technological ventures which have either

pointing returns.

For the future it can be said with equal confidence that, even under the most generous of governments, Britain can expect to perform only about one twentieth of the world total of R & D. From these considerations one may derive the criteria by

failed or else shown disap-

which, in due course, CEST can be judged. There are at least four. First, it can help develop a better system than presently exists for ensuring that British companies are in tonch with international developments in science and technology. Second, few doubt that British industry should be stimulated to fund more of its own R & D, and with a determination to get the results rapidly applied. Third, there is a role in identi-fying new mechanisms, as well as in supporting existing ones such as Defence Technology Enterprises, designed to pull commercially relevant scientific information out of government laboratorles. Fourth, there remains a need to eocoorage the academic community to see science as an instrument, in addition (though categorically not an alternative) to seeing it sim-

ply as knowledge.

The director of CEST, Dr
Bob Whelan, faces a tall
order. He is helped in that, as the above criteria suggest. there is more than one way in which CEST could fully justify itseif. And furthermore, despite recent improvement, the condition overall of British industry still leaves abundant scope for a body like CEST.

CEST is an experiment overdue for the trying. Its job at root is to promote, in the less-than-ideal British climate, a new marriage between the technologically feasible and the commercially desirable, using the expertise

Government, meanwhile, has settled for a very modest bet on the outcome, for how else could \$1m be described? At the outset this may be right, but if CEST "works" it would be shortsighted to refuse new money. The Govinsisted on holding to level funding for the science budt, but has also said that it would be "more likely to be persuaded of the value of increasiog public investment in science if the scientific community, and the users of its products, can point to increasing economic and social benefits, and in particular to prospects for increased national wealth": CEST-in-spired science should be exactly this. Nor should the understandable objective of CEST's sponsors - to ensure that it keeps its distance from government - blind them to the advantages of amplifying

So what may go wrong? Two dangers stand out: Britain has never lacked advisory bodies. The problems have lain rather in deciding which advice was good and

a successful process via pub-lic funds.

There was poignancy if not point in that the birth of CEST coincided with the death of the Technical Change Centre, a body established with a related concern, albeit a less focused aim. It is distinctly possible that the hopes invested in CEST will come to grief, despite the care which has gone into getting the for-mula right. But the greater CEST's success, the more a second problem may intrude -that of undue influence npon funding by a body both pri-vate and selective in membership. Much here would turn on the definition of "undue". Time alone will show which of these two things is most to be feared, if indeed either is. At least, being essentially opposites, they can hardly be experienced together. Floreat CEST, fiat lux.

The author holds a joint chair in the Departments of Government and Science and Technology Policy in the University of Manchester.

The British way is better

From Mr Erik Lambert. Sir, The sanouncement of an important study into the costs of television advertisements (FT, January 26), and its star-tling hypothesis, leaves one wondering. . . .

British regulation of television via a series of inquiries (the latest was the Peacock Report) has always been admired here in France. But the projected sindy looks curiously similar to the French way of doing things: an objective is determined outside any other consideration, and any argument is then valid to justify it.

Surely nobody who believes to any extent in the effectiveness of the market economy can accept the starting point of this study. If television advertising is too expensive, advertisers will simply use other advertis-ing media. If the price of televiing media. If the price of televi-slon advertising is hampering the competitive position of Brit-ish industry, the logical conclu-sion is not to create a new com-mercial channel, but to restrict advertising air-time — to, say, German levels. (No-one men-tions the lack of competitive-ness of German industry...

Technological developments and the initiatives of the Euro-pean Parliament and Commis-sion will have a formidable impact on the structures of television in every European country. In discussing the future of television, please remain British. Do not do it the French way. Do not allow short term interests to muddle the issues at stake. Erik Lambert,

Communication Media Technique, 10 Rue Vivienne, 75002 Paris.

Letters to the Editor

Put monnet in thy purse

From Mr D. Simon Harper.
Sir, Every time I read or hear Sir, Every time I read or hear the expression "European Currency Unit" I have an urge to write to a newspaper and suggest e better name. The suggestion I have long had in mind seems so self-evident that thoosands of people must have thought of it. But I continue to read about the European Currency Unit, and it continues to grate on me. grate on me.

grate on me.

Ourrency names are high-frequency words; they need to be short. Most of them are. Many have only one syllable; pound, cent, mark, franc, crown, yen. Others have no more than two dollar, penny, rouble, schilling, guiden, lire. It is true that the European Currency Unit (nine syllables) is usually shortened to "ECU" — but you can say "the peseta" faster and with less enunciatory effort than you can say "Thee-ee-see-you."

ress enunciatory errort than you can say "Thee ee-see-you."

The only shred of legitimacy that "ECU" can claim is that over many centuries of French history - to 1938 - there have been coins called the sca. But that counts against it. We need a name that will apply solely to the new unit. Let us leave "cu" as an historical term — and a

the new unit. Let us leave "cu" as an historical term — and a french colloquialism for "richesse." — a further objection is based on the fact that "cu" is so preeminently and exclusively monnet than with the ECU.

French it begins with "e acute" Simon Harper, eminently and exclusively French It begins with 'e scute' which this admirably into which his admirably into Zumsteinstrasse 6, French, but swkwardly into D-7750 Konstans. any other European tongue. It West Germany.

From Mr Ion Miles.
Sir, No English equivalent for the ugly "domotique"? France taking the lead in "intelligent homes" ("Home Sweet Home," January 22)? The term "home informatics" ends with "cu", which might be fine with the Romanians but is

example - English. (It will be a long time before we can casually ask a London taxi-driver whether he is prepared to accept écus.) No, we need something as neutral as possible, a new that will trip blithely off name that will trip blithely off any tongue from Gibraltar to Kristtinankaupunki.

Science Policy Research Unit. tradition whereby units are University of Sussex,

prominently to the sciences in which they are used: watt, ampère, volt, ohm, hertz, angstrom, joule, curie, newton and so on. Apply it to the present problem and there is only one Prom Mr J. Roy.

From Mr J. Roy. Sir, The use of aerosol sprays as weapons ("Defensive Posi-Could any other name be better for the purpose? Jean Mon-net might almost have picked his parents with this honour in mind. We may be a blt hazy about the sievert or the cou-lomb or the heavy, but the mon-

Savings Scheme prevents that sinking feeling. When the storm clouds appear on the financial horizon, many unit trust investors simply abandoo ship. But with the Scimitar Regular Savings Scheme you can benefit, even when the market takes a dive. Indeed, the lower share prices fall, the more units you can buy for the same monthly

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'Management experts will pore over Midland and Crocker'

From Mr Andrew Compbell, management style.

Sir, in the early 1980s I was. The problem was more working as a consultant with deep-rooted than the Crocker the top management group at experience alone. Midland Midland; I congratulate property and the company the Civilend's Santa Company to Civilend's Santa Company to Civilend's Santa Civilend's S Lascelles for a penetratingly accurate description of the Mid-

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to manage the Clydesdale Bank subsidiary either, and Geoffrey

accurate description of the Midland/Crocker saga (FT, Ismuary
25, 27, 29).

Since then I have been researching the role of corporate headquarters — in particular the relationship between headquarters and subsidiary companies. The conclusion is that headquarters must manage either by getting involved in planning, or by setting and controlling against some performance objectives.

With Crocker, Midland did not the alternatives strong control influence or strong mance objectives.

With Crocker, Midland did not the alternatives strong control influence or strong mance objectives.

With Crocker, Midland did not the alternatives strong control influence or strong planning influence or strong control influence or strong ment styles at the centre that allowed it to get into the discussion of budgets, business crocker deal in the first place—and made it possible for Tom Midlands, to develop a clear result was wracked careers for unrecorded that below-below-below-

a number of capable people, as and senior executive level per well as a near-sinking of Mid-sound in both banks were will

land. As companies face large expansion or diversification headquarters has a robust and effective management style. Andrew Campbell, Ashridge Strategic Manage-

Sir, I congratulate David Las-celles for his enthralling series of articles on the Mid-land/Crocker deback (FT, January 25, 27, 29). As one of the (very few) less senior people who served with both banks during the "groubles," much of what I read rang true. Mr Lascelles rightly high-lights the considerable cultural

barriers between the two banks. But it should not go unrecorded that below-board

in the process, I believe Mid-land has taken the lessons to heart; these may have enabled it to deal with the Greenwell

was used for an international conference held in the UK in November 1986, partly sponsored by the Department of Trade and Industry. It featured the European idea of interaction was sufferness (IPS) tive home systems" (IHS) - a challenge to the Japanese/US idea of "smart homes." The the product of British initia-

tions," January 16) will be in breach of the existing 1968 Firearms Act. They would be classed, along with machine guns, as a "prohibited weapon," because aerosols would be termed as "designed for the discharge of workers. to money, monnaie, moneda. As uids.

It could be some clear that the distance of nations gases or liquid the Americans say: a natural.

warned that you may use only minimum force to resist your attacker, and your response must cease when the attack

14c Merchiston Mews,

ing to try to work together in a mable sphit of respect and co-operation. This was stifled decisions, it is essential that by crass and inconsistent direc they consider whether their tives from those at the top of both banks. It led to mutual suspicion and

recrimination in both banks. What was remarkable was that management of one bank would not admit to the strengths - in technology, systems, reporting procedures and credit processes, for example - of the other. The atmosphere was red-olest of a combination of Yes Minister and Pawky Towers."
Although obliterating Crocker

Mostsen problem so decisively.
The real winner, of course, was
Wells Fargo (and Tom Wilcox).
David Hilditch,

FINANCIAL TIMES

Wednesday February 3 1988



Nurses and seamen strike in defiance of Thatcher

BRITISH NURSES began a national strike campaign yesterday and merchant seamen hold a 24-hour strike at Lonsaid they were prepared to risk jall as they walked out in a show of growing defiance against Mrs Margaret Thatcher, the British Prime Minister, FT as fire port from London.

A third of the UK's coal pits also faced cutbacks after a one-day strike on Monday by mine security workers suggesting that Britain's long period of industrial harmony may be considered the process of the state of the total strike call, plans further walkouts at 22 tondon hospitals and other central and other central and sequestration of plans further saban-done at the hospital gates with place at the hospital gates with place.

The condendation of ficials on the hospital gates with place at the hospital gates with place at the hospital gates with place.

The condendation of ficials and sequestration of some pay and a possible through a complete reorganisation.

The second challenge to the Government came when merchant seamen began a 24-hour strike in support of 161 sacked union officials on Tuesday he would not pump more funds with could involve heavy for place

EAST GERMANY yesterday released four dissidents from

prison to West Germany amid

signs that all the recontly arrested dissidents will be freed by the weekend, writes

Mr Stephan Krawczyk, a prominent ballad singer, and his wife, theatre director

Freya Klier, were among the four who left yesterday.

Mr Wolfgong Vogel, an infinential lawyer and a con-fidante of Mr Erich Honecker, the East German leader, said

he expected that all detainees would be released by the end of the week and could leave

A MOVING service attended by nearly 2,000 East Berliners in St Bartholomew's Church on Monday night made crystal clear the rising challenge to the East German leadership.

Fast German leadership.

For the third tima in four days, tens of thousands of largely non-religious East Germans have squeezed into normally empty Protestant churches in a powerful display of solidarity with civil rights campaigners who have been

campaigners who have been arrested and sentenced

recently.

The activists had tried to join an official party rally and had been convicted of attempted

"illegal assembly," while some are accused of treasonable contacts" with the West.

Most of those in St Bartholomew's were well-behaved

young people wearing freshly washed parkas and leans. This only made the dilemma more

acute for Mr Erich Honecker,

the 75-year-old East German leader, Instead of a new generation of unflinchingly loyal citizens, he is faced with a growing

mood of opposition among the cream of East German youth. Although few are religions, they are sheltered by the nor-mally cautious Lutheran Prod-

estant church. And church leaders are torn, as was Martin

Luther himself, between their

German youth, however, is still confined to an elite minority.

Few students from East Berlin's Humboldt University dared show themselves at the church protests, for fear of being blacklisted. Typically, East Ger-

The rising rebellion of East

spiritual and secular roles.

the country if they desired.

The arrests of some 20 people, 11 of whom have received prison sentences of np to one year, have triggered growing protests in East German

churches. The detontions occurred when 200 civil rights

supporters, many wanting to leave East Germany, tried to juin an ufficial rally on Janu-

ary 17 commemorating the

murders of the pre-war Ger-man Communist leaders, Rosa Luxemburg and Karl Lieb-

The West German Govern-

ment welcomed the prospect of the releases, and said

Four East German dissidents released

The church provides a cautious conduit for dissent, writes Leslie Colitt in East Berlin

Rising rebellion of a nation's youth

Rising challenge: Honecker cannot rely on a new generation of unflinching loyalty

ring to them disparagingly as travel there. Hungary, a "peacies."

"They don't know what real work is, and now they are blowing their tops about human rights." a hefty Fact Bartin.

a hefty East Berlin Germany was unable to export

the goods required to obtain the

foreign exchange for its citi-

aroused is widespread and corrosive. The more than 1m visits

by East Germans to the West last year have increased frus-trations rather than lowered

A young civil rights snp-porter remarked that only if

workers realise that mere

grumbling no longer helps and intellectuals realise that we

can't achieve anything without reforming the economy is there

The discontent this has

Civil rights supporters in church leadership in a com-East Berlin said yesterday promise with the Government they suspected a deal with last December.

industrial harmony may be companies announced that they over - at least for the time being.

London hospitals and other cenhealth care.

Mrs Thatcher insists she has almost trebled the service's the High Court order against

ground. His father was a retired professor. But he said he was determined not to enter into the same "foul compromises" with the party as did his father and, under the Nazis, his grandfather.

grandfather.

A real danger existed, he

The young man and many of his friends regard the support for their activities of the East German Protestant church as a

mixed blessing. While appreci-ating the clergy's efforts on their behalf, they are critical of

Father, we ask you to give those who hold power in our

But they applauded wildly

when the immensely popular 44-year-old church lawyer, Mr Wolfgang Schnur, told them that solidarity was needed, as

well as prudence. The church's decision last December to dis-

mantle its previous candlelight vigils in protest against a raid on the rectory of Zion Church

met with dismay among young civil rights activists.

But both the church, whose appeal has otherwise dwindled

to a small hard core of the faithful, and most of the young

freight and passengers.

Details, Page 13

Executives quit First

FIRST BOSTON, the blue-chip

everything should be done to avoid harming relations between Bonn and East Berlin.

The East German leadership's opparent eoncession was eignailed on Monday might by a senior East German Protestant official, Mr Manfred Stoipe. He told a protest meeting of nearly 2,000 East Berliners in St Bartholomew's church that something would take piace in the mext few daye which would be "fair" to all concerned.

West Germany which could threaten the existence of activities who wanted to remain in East Germany.

The East Germany leadership in a could threaten the existence of activities who wanted to remain in East Germany.

The East German leadership in a could threaten the existence of activities who wanted to remain in East Germany.

The East German leadership is activities of "unruly" activities of "u

per cent of the company's busi-ness last year.

Mr Joseph Perella and Mr Bruce Wasserstein, co-heads of investment banking at the com-pany, yesterday quit First Bos-ton to set up their own com-

The summary resignations, the climax of a bruising strug-gle for power at First Boston, leave the company without their main money-making bank-

A real danger existed, he admitted, that the more elitist founded the mergers-and-among the young advocates of civil rights might decide there was little sense in being arrested and imprisoned. Instead, they might seek to change the system from within, much like their fathers and grandfathers.

The often blustery Mr Perella founded the mergers-and-acquisitions group in 1973 and calvision group in 1973 and calvision at Goldman Sachs. Mr Wasserstein, regarded as one of the cleverest takeover advisers of recent years, earned multi-million fees from helping fashof recent years, earned multi-million fees from helping fash-ion big mergers of the 1980s. Last year, the investment

the church's caution. Moans rose from a good number of young people in St Bartholomew's church when a prayer was read to them: "Lord and Father was read to them: "Lord and Father was read to them: "Lord and Father was read to them: "Lord and particular, and Mr Peter Buchanan, the company's chief exec-utive. Tha highly successful too much of the company's resources were going to its bond traders, who suffered bad losses in 1986 and last year. At the end of last year, Mr Buchanan gave the two men expanded powers by placing corporate finance and property finance under their control. But Mr Perella said: "We disagreed with the fundamental direction of the company, not about whether another 100 people would be reporting to us. The new company - Wasser-stein, Perella & Co - will be "a

Boston

pany, yestereday suffered a wounding blow with the resignation of two star corporate financiers who generated 65 per cent of the company's business last year.

pany. Two other senior executives

Two other senior executives of tha 170-strong investment banking division, Mr Bill Lambert, creative director of mergers and Mr Charles Ward, cohead of mergers, will join the new company, which will specialise in the risky, capital-intensive takeover trade known on Wall Street as "merchant banking."

The often blustery Mr Perella banking group generated \$849.6m of First Boston's

\$1.32bn in revenues. First Boston stock closed down \$1% at \$24%.

Ferruzzi sticks to its old ways

THE LEX COLUMN

The alowdown in December's U8 leading indicators shows the divergence in US and UK bond yields being borne out in the two economies. The UK's growth looks increasingly out of step in the international con-text; on the other hand, yester-day's cut in US prime rates will acarcely help in attracting much-needed foreign capital to this week's Treasury bond auc-tion.

Ferruzzi/ Montedison

With a little bit of help from a self-styled peasant from Rav-enna, Italian capitalism has once again turned its worst face to the world. Plans put forward by Mr Raul Gardini for restru-cturing his Ferruzzi-Montedison

empire have provoked squeals in Italy over a possible abuse of shareholder rights. And although the Milan regulatory authorities yesterday carpeted Mr Gardini to demand an expla-nation, their power to stand in his way is limited, in practice if not in principle. Mr Gardini's scheme gets full

marks for audacity, if not for transparency. If the plan goes through, his family holding company will end up with the very solid assets of Iniziativa Meta (64 per cent owned by Montedison) in its helence Meta (64 per cent owned by Montedison) in its balance sheet, and will have retired 1.2,000bn of Montedison's 1.7,800bn debt, reducing that L7,8000n debt, reducing that company's debt/equity ratio to 100 per cent. And the coup de grace, through a sort of disguised rights issue to Montedison shareholders, it will have managed to get them to stump up the cash to finance, retrospectibly the purpher of 42 spectively, the purchase of 42 per cent of their own company

by Gardini Montedison shareholders, for Montedison shareholders, for their part, will exchange Meta assets for paper from Ferruzzi Finanziarla, the unquoted fam-ily holding company — with no way of valuing their holding until the company is floated at an unnamed future date. Shareholders have been promised a prospectus on the listing before

they decide whether to exercise their rights. The quality of information included in the prometric and the prometric than the prometric thand the prometric than the prometric than the prometric than the spectus could give an important clue to whether Mr Gardini intends to play by the rules of the International capital mar-

Societies Act that any disapall good things must come to an lie in the land pointment at yesterday's broad end. The expected continued tem alone.



1985 1986 1987 1988 expansion of their powers would suggest they are becom-ing unhealthily used to getting their own way. Perhaps the societies are right to complain grumbles miss the point. By changing the rules every time a building society threatens that it would otherwise convert to a pic, the Government has finally

removed all the major specific constraints, and, after the lat-est amendments, the legislation should prove flexible enough to withstand the perpetual change in the financial retail market. However, the new powers do not mean that those societies considering going public for the right reasons will be deterred. Even under the new rules, building societies' chief business is domestic mortgage lending, financed largely by retail savings. Those which want better access to capital to become ter access to capital to become big financial services companies will still undergo the lengthy transformation into a plc. Any society which still feels hard done by can console itself that by being forbidden until now to invest in stockbroking or venture into fund management, it may have been

saved a costly mistake.

There must be a certain sad-brewers, who mostly suffer less about the National Freight from excess brewing capacity Consortium's decision to throw in the towel and apply to join the big brewers' lager brands, the ranks of publicly quoted companies. It has been an for more pubs to take up the extraordinarily successful surplus, thus increasing their

HEAD FOR

HAMPSHIRE

~A STEP IN THE

RIGHT DIRECTION

rapid growth of the company over the next few years means that future employee share-holders are unlikely to be able holders are unlikely to be able to offset the selling pressure of an ageing workforce, and institutional shareholders would end up buying control of the company on the cheap.

The proposed introduction of the shares is a sensible compromise. It means that axisting shareholders are free to make a decision on whether to sell and

decision on whether to sell, and the market price should give them a better indication of their company's true worth. their company's true worth. Nevertheless, putting a price on the company could be difficult. It is more highly geared than its rivels and its voting structure is designed to deter predators. That said, the continued employee involvement and the above average earnings and profit growth should mean that it can command a premium over societies are right to complain profit growth should mean that that the limit on consumer lending should have been lifted altogether, and that the pace at which non-traditional assets can be added should have been turner accelerated. But such grumbles miss the point. By changing the rules every time a building togically threatens that interest the complant of 20 per cent growth in earn-

Grand Met

Grand Met's plan to sell 700 of its pubs looks a logical next step in a vigorous overhaul: first the disposal of unwanted bits in the US and in contract services, now the shaking up of the home base. The other blg brewers would doubtless like to follow Grand Met's example in getting rid of the fag end of their tenanted estates, but per-haps only Grand Met has its brewing capacity well enough in line with demand to take the risk, Indeed, the pubs in ques-tion are claimed to account for only 2 per cent of the group's total beer sales, so at present growth rates their throughput could be made good in less than

The wider significance of the move lies in the continued breaking down of vertical integration by the big brewers, particularly in the light of the Monopolies Commission inquiry Into the tied system. Regional because of the inroads made by kets.

Building Societies

The building societies have secured so many important changes to the 1986 Building Societies Act that any disaplie in the MMC leaving the sys-

71.

A TOWN THE PROPERTY OF THE PARTY OF THE PART

Egypt dismayed by US veto of UN resolution on Israel

Egypt expressed dismay yester-day about the US veto of the United Nations Security Council resolution calling on Israel to respect "the rights of the Palestinian people" and apply the Fourth Geneva Convention in the occupied territories, write Richard Johns In London and Stewart Fleming in Washing-

planned along the lines of the resulted in the killing of at Poland during the Se Camp David agreement of 1978 least 40 Palestinians.

World War.

World War.

Wr Demjanjuk testified he was never at Treblinka.

truck driver sald. Someona

Prospects for an alliance

prospects for an alliance between intellectuals and work-ers, as was forged in Poland in 1980, are remote in East Ger-many, where the gulf between intellectuals and the rest of society remains deep. Whether it can ever be bridged will depend on sevent forter.

depend on several factors.

The most important is the

ostensibly booming but, in real-ity, badly obsolescent, centrally

planned economy.
Ordinary East Germans
learned with dismay lest month
that Czechoslovakia, where 7m

man workers express contempt for the young people who campaign under the hanner of peace and civil rights," reference to czechoslovakia, where 7m as the control of the travelled last year without a visa, cut the amount of Czechoslovak currency East Germans can buy to gather in the churches, the

should whip their backsides.

terdsy that it had put forward same peace process, they new proposals about autonomy.

Mr George Shuitz, the US Secretary of State, addressing the House of Representatives Forlom: Mr John Demjanjuk, eign Affairs Committee, eaid alleged Nazi war criminal, was that Mr Higher Mr Higher Mr Sigher Mr

ardise Israeli acceptance of a new initiative.

Washington is reported to have prepared proposals for a limited form of Palestinian self-rule for one year prior to peace talks on a final settlement, to be held within the self-rule for the prior of the prior to ment, to be held within the self-rule for the prior to t ear. istration's latest initiative to
The peace talks have been defuse the crisis which has

PRESIDENT Hosni Mubarak of treaty, but with s much tighter vote was plain. "It would have Egypt expressed dismay yester-schedule." The White House denied yes- abstain. As partners in the

that Mr Richard Murphy, one of accused by an Israeli prosecuhis deputies, would travel to tor yesterday of making up an
the Middle East to try to inject alibi to conceal time spent as a
momentum into the peace probrutal death camp guard.

American diplomats yesterday suggested that the US had
voted against the resolution
because its passage might jeopardise Israeli acceptance of a

President Muharak'e characardise Israeli acceptance of a

President Muharak'e characteristically mild but incicing

Mr Demjanjuk, who could face the death penalty if con-victed, is accused of being "Ivan the Terrible," who tor-tured thousands of prisoners before gassing them to death at Treblinka in Nazi-occupied Poland during the Second World War. Mr Demjanjuk testified that

Irish Republic 'difficult'

MR TOM KING, the British Gov-ernment minister responsible for Northern Ireland, admitted at the end of five hours of talks with ministers from the Repub-lic of Ireland in Belfast yesterday that relations between the day that relations between the two governments were going through their most difficult period since the signing of the Anglo-Irish agreement in 1985.

Very serious problems were ralsed, very difficult issues were discussed, he said.

The Anglo-Irish accord gave the Irish Republic a consultative voice in the affairs of the British province.

Sir Patrick said that although there was evidence that some RUC officers had attempted to

much of the Nationalist commu

people bave come to realise prototype of the merchant they would be in a far weaker banks of the 1990s," said Mr position without each other. UK says relations with

AND OUR BELFAST CORRESPONDENT

of Northern Ireland's Royal
Ulster Constabulary police
force alleged to have been
involved in a "shoot to kill"
campaign in Northern Ireland
in 1982.

turned.

The mlulsters from the
Republic had gone to Belfast
wanting to know exactly what
national security interests lay
behind the British decision.

subvert the course of justice, interests of "national security" prevented further action. The Irish Government and

nity in Northern Ireland heve expressed their anger at this Mr King said a full and frank

discussion had taken place with Mr Gerry Collins, the Minister for Justice, and Mr Ray Burke, the Minister for Energy.

British province. The meeting was requested by the Irish Government after the British Attorney Gensral, Sir Patrick Mayhew, announced last week that no prosecutions would be made against officers Wortharn Iraland's Royal



Washington warns FAO on budget Continued from Page I

the Nordic countries, tho UK and Canuda, is deter-mined to assert the princi-ple of "douur power" and curb what thoy see as Mr Saonma's excessive inde-pendence in running the Rome-based FAO. The UK is delaying payment of its \$14.2m cuntribution to underline its desire to bring

abont change.

Although unt a founder member, the US has become an infinential member uf the FAO budget. Washington is aiready \$68m in arrears un ita 1986-87 pay-ments to the organisation and Congress hae only anthorised the payment of \$38m, subject to strict con-

At yesterday's meeting, the US representative did not challenge Mr Saouma's interpretation that US polinterpretation that US policy was to withold all payments ontil it secures reforms in budgetary procedures. These were voted duwn in the FAO cunneil last November. Mr Saouma, re-elected to

a third term last November, yesterday offered to negotiate a compromise between the US position and that of countries ready to adopt softer reforms. But his plea that the US quickly release \$30m brought no response. He sald afterwarde that the PAO needed receipts of \$280m to cover its 1988 bud-

get and debts of \$35m. The FAO is attempting to economise but much deeper cute would be needed to make up the budget short-fall, however.

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Ferruzzi trading halted as share price plunges

TRADING in Ferruzzi and Montedison and in group's 40 per cent holding in Meta. "If a blue chip company suspended on the Milan bourse yesterday after their shares went into a free fall in reaction to the reorganisation pians announced at the weekend by the litalian stock market," said announced at the weekend by the litalian stock market, said one financial analyst in Milan.

Transport 40 per cent holding in Montedison had been valued at can get away with behaviour cost, which is about three times the present stock market value of Montedison shares.

There was little optimism in Milan yesterday that the reorganisation of Montedison had been valued at can get away with behaviour cost, which is about three times of Montedison had been valued at can get away with behaviour cost, which is about three times of Montedison had been valued at can get away with behaviour cost, which is about three times of Montedison had been valued at can get away with behaviour cost, which is about three times of Montedison had been valued at can get away with behaviour cost, which is about three times of Montedison had been valued at can get away with behaviour cost, which is about three times of Montedison had been valued at can get away with behaviour cost, which is about three times of Montedison had been valued at can get away with behaviour cost, which is about three times of Montedison had been valued at can get away with behaviour cost, which is about three times of Montedison had been valued at can get away with behaviour cost, which is about three times of Montedison had been valued at can get away with behaviour cost, which is about three times of Montedison had been valued at can get away with behaviour cost, which is about three times of Montedison had been valued at can get away with behaviour cost, which is about three times of Montedison had been valued at can get away with behaviour cost, which is about three times of Montedison had been valued at can get away with behaviour cost, which is about three times of Montedis Mr Raul Gardini, the Ferruzzi group's chairman. Ferruzzi holds a controlling stake in

Investors' reaction to the plans plunged the wider market into deep gloom, hitting him chips of every kind from Fist to the insurance giant, Generali. The Milan Stock Exchange Index closed at 930, down 2 per cent on the days

cent on the day.

Montedlson ordinary and savings shares were suspended shortly after the start of trading after they had fallen more than 10 per cent. Also suspended were Iniziativa Meta, Montedison's insurance and financial services subsidiary, Silos of Genos, another Mooted son subsidiary, and Ferruzzi Agricola, which con-tains the Ferruzzi group's agri-husiness interests

The core of the Ferruzzi plan is Meta's absorption into the family holding company, Fer-ruzzi Finanziaria. Montedison owns 64 per cent of Meta and its shareholders are to be offered the chance to buy 15 Ferruzzi Finanziaria shares for

every four of Meta.

The market is reacting against what is seen as a highly cavaller treatment of share-

Abitibi

improves

to C\$125m

ABITIBI-PRICE, the Toronto-

based newsprint group, has reported earnings for the 1987 fourth quarter of C\$34.5m (US\$27.2m) or 47 cents a share,

against C528.8m or 38 cents a

year earlier.
For the year net earnings rose from C\$110.1m or C\$1.50 a share, against C\$125.7m or

The company said it expected improved results from some of its divisions in 1988, but cautioned that continued strength in the Canadian dollar could

dampen earnings.

Mr Bernd Koken, chairman

said: "Newsprint markets will be at their best and we expect a solid turnround in the ground-wood papers and coated papers

wood papers and coated papers segments."
He added that, barring a large economic reversal, 1988 should be a good year for the businesses. However, "further increases in the value of the Canadian dollar against major currencies could seriously undermine an otherwise most.

undermine an otherwise posl-tive outlook.

Crown Forest Industries,

one of two large Western Canadian lumber and pulp and paper producers acquired in 1986-87 by New Zealand's Fletcher Challenge, more than doubled net profit last year with the help of strong international pulp demand and rising prices, writes Robert Gibbons in Montreal.

Earnings reached C\$100.7m or C\$10.18 a share for 1987; up from C\$38.3m or C\$4.03 a year earlier. Sales were C\$1.03bn against C\$864m.

Besides strong demand for pulp, the lower international value of the US and Canadian

dollars made North American pulp producers more competi-

tive last year and overseas prices in US dollar terms became much more attractive.

in an attempt to assert a regulatory interest, Mr Francesco Pigs, chairman of the Consob the stock exchange watchdog, called Mr Gardini in and asked

tion of Ferruzzi Finanziaria, which is not a quoted company, and does not publish consolidated accounts, but which seek a public listing at the end of the exercise. Control, however, would remain with the Ferruzzi family.

Mediobanca, whose celebrated director, Mr Enrico Cuccia, is regarded as the architect of the reorganisation plan, has published one Ferruzzi Finanziaria and Meta, the statement said that the base

Ferruzzi attempted to quell the clamour by issuing a statement late on Monday which revealed that the family holding company had been valued by experts and that this judgement would eventually be submitted to Tooche Ross and Price Waterhouse.

It also revealed that the four four five the companies involved in share swaps, Ferruzzi agricula, Silos of Genoa and Pafinyest, had been valued according to the same methods.

BY OUR FINANCIAL STAFF

LOCKHEED, the leading US.

aerospace contractor, reported a 22 per cent rise in fourth-quarter net profits to \$134m or \$2.07 a share, up from \$110m or \$1.67 for the same period in

This brought net earnings for the year of the California-based group to \$421m or \$6.41 ashare, against \$408m or \$6.18

the year-end was \$12.5bn com-pared with a total of \$17.7bn at the end of 1986.

The lower backlog was partly due to the maturing of two important contracts, the C-5B

military transport programme for the US Air Force and the US

Navy's Trident II missile pro-

BY OUR NEW YORK STAFF
TRANS WORLD Airlines,
which is controlled by Mr
Carl Icahn, the takeover
specialist, has reported a
return to profit in the winter menths, with fourthquarter earnings of \$51m or
\$1.20 a share, against a loss
before special items of
\$37.5m.
The results, which showed

perore special items of \$37.5m.

The results, which showed a \$1.7.7m improvement in operating performance at the sirline, completed a year which Mr Icahn said was the most profitable in the company's 60 years of operation. The airline had operating profits of \$210.3m last year, against a loss from operations of \$75.3m in 1986.

Mr Icahn, who controls 73 per cent of TWA and now uses it as his main takeover vehicle, said: "TWA's dra-

TWA reports best-ever

year with \$210m profit

There was little optimism in Milan yesterday that the reorganisation would be stopped by the Consob, which is illequipped to take on the powerful Mediobanca.

Analysts expect little share bolden interest in the Farmers.

Analysis expect name sharehim to explain his intentions.

Investors are demanding more information on the valuation of Ferruzzi Finanziaria, which is not a quoted company, and does not publish consoli-

the reorganisation pian, has published one Ferruzzi Finanziaria balance sheet. This was for the year ended December, 31 1986 and it revealed a turnover of L6,153bn (\$5bn) and profits attributable to shareholders of L93bn.

the statement said that the base had been the capital value of the two companies on October 31 1987. This had produced a share value for Meta of L14,335 and for Ferruzzi Finanziaria of L3,848, a proportion of 15 to four. the statement said that the base

It also said earnings were favourably affected by lower

income tax.

• Gramman, another leading

with the F-14d and A-6F devel-

algnificantly affect costs and

matic turnround from an airline in trouble to one of

the most profitable in the

industry is proof that take-overs can and do work. I am happy to have been able to practice what I preached."

Mr Icahn did not release figures for the airline's rev-

The 1987 results, which showed net income of \$106.2m or \$1.65 a share

against heavy losses, do not include \$123m in unrealised

investment gains. TWA has large, epeculative invest-ments in such companies as

USX and Texaco.

reservation system.

ent contracts which could

rise 22% to \$134m

Lockheed earnings

Lockheed said increased interest charges, reflecting the higher debt incurred with the 1986 acquisition of Sanders Associates, offset higher programme profits in 1987.

for American Cyanamid

By Our Financial Staff

Since August 1986, Grumman has reported the existence of technical problems associated continuing operations in the year included about \$12m from the sale of the Jacqueline Coch-rane perfume business and the

USA and Texaco.
The figures for the fourth quarter of 1986 did not include a special once-and-for-all gain of \$122.5m from the sale of a half-share in the airline's computerised

PepsiCo sparkles with 26% advance

By James Buchen in New York

PEPSICO, the world's second PEPSICO, the world's second largest producer of soft drinks, yesterday reported a 25 per cent increase in net income in the fourth quarter on the strength of big gains in profitability at all three of its main businesses.

PepsiCo, which is based in Purchase, New York, said earn-ings in the December quarter rose to \$147m or 55 cents a share on a 14 per cent rise in sales revenues to \$3.47bn.

The improvements were spread throughout the company's soft drinks, restaurants and snack foods divisions.

For the year, PepsiCo reported a 30 per cent increase in net income to \$595m or \$2.26 a share on a 26 per cent rise in sales to \$11.50hn.

Mr Wayne Calloway, chair-man, said: "We achieved solid

man, said: "We achieved solid volume gains and margin improvements in each segment, and this provides strong momentum for a highly successful 1988. We expect earnings to grow again at double-digit levels."

During the quarter, PepsiCo enjoyed its sharpest profit gain in snack foods, where strong growth at its Frito-Lay business led to a 52 per cent gain in operating profits. The profit improvement in

soft drinks was 11 per cent, thanks to a 30 per cent gain in domestic profits. Volume gains were 7 per cent at home and

Operating profits in the res-taurant bosiness, which includes Kentucky Fried Chickan and Pizza Hut, rose 39 per cent on a 28 per cent gain

Record quarter

year earlier.

For the year net earnings rose from C\$11.50 a share, against C\$125.7m or C\$1.70. Revenues rose from C\$2.76bu to C\$2.99bm, with a fourth-quarter contribution of C\$786.1m (C\$697.9m).

The improvement in 1987 reflects higher newsprint prices and stronger performances from the company's distribution and building products operations.

Lockheed said its funded some said its funded operations.

Lockheed said its funded backlog at the end of 1987 fell to \$8.40m from \$9.6bn at the end of 1986 lts total backlog at the vear-end was \$12.5bn contribution or call the year of the California.

Grumman, another leading US defence contractor, said it US biotechnology and chemicals hadsigned an agreement with hadsigned an agreement with hadsigned an agreement with like US Navy which resolves material differences over technical problems in the development of the navy's F-14D fighter. The agreement will result in a pre-tax charge of \$6.0m against fourth-quarter earnings, which will be announced later this month.

Lockheed said its funded backlog at the end of 1986 lts total backlog at the vear-end was \$12.5bn contribution of \$2.18 recorded in 1986. Sales to \$9 per cent, to \$4.17bn from

Grumman reported net earnings of \$24.8m or 72 cents a share, on sales of \$930.6m.

Sales of \$930.6m.

Net profits in 1987 included Net profits in 1987 included an \$11.5m gain from the early redemption of securities by For-mica, which Cyanamid divested itself of in 1985. Profits from

rane perfome business and the La Prairic skin care concern.

Mr George Sella, chairman, attributed the record profits to the way the market had accepted Cyanamid's new products and technology and also to favourable exchange rates.

The medical division reported record operating profits of \$216.4m in 1987, an 18 per cent rise from the previous year's \$184m, on sales of \$1.64bn, up 14 per cent from \$1.44bn.

Operating profits in the agricultural division were up by 48 per cent at \$124.7m, compared with \$34.1m. Sales increased by only 5 per cent, to \$919m from

with \$84.1m. Sales increased by only 5 per cent, to \$919m from \$873m, due to Cyanamid's withdrawal from the upgraded phosphate fertiliser and animal-feed minerals business in 1986.

The chemical division's operating profits rose by 35 percent to \$68.2m from \$50.5m in 1986, on sales of \$1.04bn, compared with \$948m.

Cyanamid's consumer produces the Shulton ucts husiness, the Shulton Group, raised its operating profits by 75 per cent to \$57.5m, against \$32.8m.

UK-BASED GROUP EXPECTED TO RAISE £134M ON SALE OF 12% OF OUTLETS GrandMet to sell off 700 pubs

GRAND METROPOLITAN, the UK-hased drinks and hotel group, is to sell about 700 tenanted public houses - 12 per cent of its licensed outlets. Analysts estimate the sales could raise more than \$130m (\$234m).

being held with several brewing and leisure companies, are said to be at an "advanced stage." Grand-Met, which this week conceded defeat to Seagram after a protracted battle to acquire Martell, the French cognac house, is offering tha public houses in three blocks located in the Midlands, East Angila and the lands, East Anglia and the south coast of England.

The sale is a radical move in an industry where the

major brewers have concentrated on building up their estates of public houses with disposals being made on a piecemeal basis.

GrandMet, Britain's fourth biggest brewer with trading companies including Watney Combe Reid, has been among the most aggressive in cost rational-isation. It recently closed breweries in Norwich and

The brewing division of GrandMet, with hraods including Budweiser, Web-ster's and Foster's, made a trading profit last year of \$100.4m with beer sales increasing by 4.5 per cent in a static marketplace.

Mr Allen Sheppard, chair-man and chief executive of

GrandMet said: " This is very moch an upgrading of our portfolio of properties. We looked at the chape of our tenanted estate from our tenanted estate from the trading point of view. The public houses to be sold make up less than 2 per ceut of our overall beer sales."

Mr Sheppard said resources released by the sale of these low beer bar-relage public houses could be invested in the remain-ing 3,800 tenanted public houses and 1,600 managed

A similar rationalisation excercise has been carried out among the managed houses where GrandMet is now acquiring properties. The sale of the 700 ten-

anted bouses, GrundMet said, had nothing to do with the current Monopoly and Mergers Commission inquiry into the brewing industry. The move will, however, cut the concentratiou of its public houses in areas such as East Anglia, where critics have alleged it where critics have slieged it had a near monopoly on public house beer sales.

Companies tipped by analysts as likely to be interested in buying the public houses – which will not be sold off individually – luclude Wolverhampton & Dodley Breweries, Devenish Ruckley's Reswary Rel. haven, First Leisure and Midsummer Leisure and Midsummer Leisure. GrandMet's share price closed at 457p per share, up 8p a share.

Farmers Group forecasts 15% boost in profits for full year

FARMERS GROUP, tha US insurer facing a \$4.2bn bid from BAT Industries of the UK, from BAT Industries of the UK, has told the first meeting with atockbrokers' analysts in its 60-year history that it is expecting to show a 15.5 per cent rise in earnings for 1987.

Profits were likely to be in line with recent analysts' forecasts of between \$3.55 and \$3.60 a share, Farmers said.

At the meetings the Los Angeles-based insurer – by tra-

Angeles-based insurer - by tra-dition one of the US insurance industry's most reticent compa-nies - also firmly restated its

nies - also firmly restated its opposition to a takeover by BAT, the world's biggest private sector tobacco company. However, some Wall Street analysts who attended the meetings in Manhattan on Monday believe Farmers would accept BAT's proposal if the British company raised its offer for the group above the \$60 s share it proposed on January 13.

They noted that Mr Leo Den-lea Jr, Farmers Group's chair-man, told analysts that BAT's

There are not many compasenior management was "highly nies in the world that have done this," Mr Denlea said. responsible and highly respectable." Farmers appeared "tractable and contrite" at the meet-

ing, one analyst said.
On Monday, Farmers Group's shares rose above the \$50 threshold for the first time since BAT made its proposal public, closing up 14 at \$60%, an indication of US investors'

expectations of a higher offer. But when asked last oight why Farmers had not agreed to meet BAT, Mr Denlea said: "The board of directors of the company will not put the company ou the auction block for sale." Farmers was not waiting for

best serve shareholders and policyholders by staying inde-

However, Mr Herbert Good-friend, an insurance analyst with Prudential Bache Securi-ties, the investment bank, said

ties, the investment bank, said he had the impression that a higher offer might not be received unfavourably.

Another key issue raised at the meetings - which are to be followed with further investor relations sessions this week in Boston and Philadelphia - was the regulatory process through which a BAT/Farmers bid would have to pass. would have to pass.
Within the Farmers Group

Farmers was not waiting for are insurance companies or BAT to make another offer, but exchanges domiciled in nine was convinced that it would states. In each of these BAT would

need prior approval from insur-The group had achieved an ing more than 10 per cent of average 21 per cent rate of the company.

RJR ahead 18% in quarter

By Our New York Staff

RJR NABISCO, the large US tohacco and consumer products company, has reported an increase of 18 per cent in fourth-quarter earnings to \$370m or \$1.46 a share. Revenues increased 5 per cent to

The December quarter performance capped a strong year for the Atlanta-based company, which enjoyed volume gains in its food and juternational tobacco business, while favourable exchange rates boosted profits

For the year, RJR, which is the largest US cigarette pro-ducer after Philip Morris. enjoyed a 14 per cent increase In net income to \$1.18bn or \$4.70 a share. Sales rose 4 per

cent to \$15.77bn.
In the tobacco business durper cent to \$6.35bn, with a 10 per cent increase in operating income to \$1.82bn.

2nd February, 1988

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UK freight group to seek London listing BY KEVIN BROWN, TRANSPORT CORRESPONDENT, IN LONDON

publication of the group's annual report, showing a 28 per cent increase in pre-tax profits to \$47.4m (\$82.7m) for 1986-87, after profit-sharing of

£911.4m, and earnings per share were up from 10.7p to 11.7p. Dividends were up 40 per cent to 3.5p, including a proposed final payment of

NFC shareholders will be asked at the annual meeting later this month to give the board authority to seek a listing by way of an introduction within two years, and to raise up to £100m through a rights forms.

About 83 per cent of NFC shares are held by 35,000 individual shareholders, including 22,000 employees, members of their families, and company pensioners. The balance is held by a group of institutions.

NFC has built in a number of defences to prevent control of the company passing out of the hands of the workforce, including a double vote for shares held by employees in the event of a takeover.

THE BOARD of National Sir Peter Thompson, NFC equity issued after a listing since the group was sold to an employee-owned transport and distribution group, yesterday announced plans to seek shareholder approval for a London Stock Exchange listing.

The announcement followed publication of the group's annual report, showing a 28 per cent increase in pre-tax profits to existing annual report, showing a 28 per cent of NFC shares are held by 35,000 individual shareholders, including the office of the group was sold to an employee buy-out consortium in 1982 as part of the Government's privatisation programme.

Sir Peter Thompson, NFC equity issued after a listing would be offered first to existing shareholders.

Sir Peter said the Stock Exchange authorities had recognised that NFC had an "unosnal" shareholding structure, and there had been some concern that a precedent might be set, but "golden shares" were share are held by 35,000 individual shareholders, including A poll carried out last year

indicated a substantial majority of shareholders in favour of flotation, but this is likely to have been reduced since the stock market collapse in Octo-

shares traded on the company's internal market are not immune

A poll carried out last year after accounting for rights

Sir Peter said there was "a strong group of people" who believed NFC should not get "tangled up" with the City of London, but he was confident The board will be pointing that a majority of shareholders out to shareholders that NFC would approve the proposed would approve the proposed listing.

held by employees in the event of a takeover.

The board has also introduced a profit-sharing scheme which allows bonuses to be taken in the form of shares, and has pledged that any additional market are not immune to outside pressures because the shares are valued at a dischairman responsible for count to those of similar quoted made a strong start to the curtaken in the form of shares, and taken in the group had been also introduced a profit-sharing scheme companies.

The share price fell from rent year, and was trading well as pledged that any additional terry dealing day - the first fall lex, Page 18

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INTL. COMPANIES AND FINANCE

Dollar shatters Philips' dreams

FOR THE last year or so there has been no stopping the tide of joint ventures and mergers sweeping through the European electronics industry. But the practical problems of collaboration remain — and they were underscored this week by the collapse of the year-long negotiations to bring together the medical equipment divisions of General Electric Company and Philips.

better use of its manufacturing company sells its medical equipment predominantly in producing for the North Ameriburope, about 40 per cent of its same time, much of its same time, m

General Electric Company and Philips.

The industrial rationale for the deal still looks as compelling today as it did last April, when the companies signed their preliminary agreement.

First, the joint venture would have brought together two businesses with a fairly complementary decerational spread. In the initial negotiations, GEC had agreed to inject

mentary geographical spread. Philips, hased in the Nether-Philips, hased in the Nether-lands, generates the bulk of its turnover in medical diagnostics within Europe, where it is sec-ond only to Siemens of West Germany. The UK's GEC, on the other hand, is strongest in North America, where its Picker subsidiary is one of the leading challengers to the domi-nance of the US-based General Electric.

Secondly, the agreement would have created the second largest company of its kind in the world, with more resources to invest in the research and development race that has bro-ken out in imaging technology.

Over the last two decades, the cost of staying in the diag-nostic equipment business has steadily escalated as designers have integrated more and more electronics into the machines. Up-front research expenditure has risen even more strongly with the advent of the nuclear magnetic resonance machines, which cost up to £2m (\$3.58m)

Third, there should have been some scops for rationalisation and restructuring within the proposed venture. As a single entity, the combined company should have been able to make

issue emerged – the question of the price GEC would pay for putting the smaller Picker oper-ation into a 50/50 partnership.

MEDICAL EQUIPMENT

ANNUAL SALES (\$br) Philips Toshiba

between \$150m and \$200m in leal operations were so hard hit cash to bring Picker up to the by the currency factor last year same level as the Philips medical equipment division. This much as Picker's. GEC then figure was apparently based on tried to renegotiate the configure was apparently based on tract. But Philips refused to profits at about twice the size of the \$32m pre-tax made by UK company wanted, and the agreement fall through.

Japan. It was thus caught in the classic squeeze feared by all exporters of manufacturing in a rising currency zone while selling in a declining one.

Although Philips has not comparetted in detail on the figures.

mented in detail on the figures, the indications are that its med-

of the \$32m pre-tax made by Picker last year.

In the new joint company making about \$100m a year, Picker would thus have had a profits share of \$50m - an additional \$20m which would have roughly compensated for the loss of interest earnings on the cash injected into the venture. The general view was that the deal might be slightly dilutive of GEC's historic earnings, but that there would be sufficient opportunities through cost reductions and other improvements to make the amalgamation attractive.

ation attractive.

These calculations, however, were apparently undermined by a collapse in Philips' profits other potential partners, either last year. Although the Dutch

Terry Dodsworth on why plans for an equipment deal have failed

leal operations were so hard hit by the currency factor last year that they were not earning as much as Picker's. GEC then tried to renegotiate the contract. But Philips refused to drop its price as much as the UK company wanted, and the agreement fell through.

The question for both companies now is whether they can escape from their frustrated marriage plans without any

marriage plans without any long-term damage. It will be hard for either of them to argue that they will be perfectly happy as they are. Indeed, quite apart from the time they have spent instifring the have spent justifying the merger proposal, they now have to face a new international entity created by last year's takeover of Thomson's COR division by General Elec-

overs. Executives concede that the break up with Philips is a disappointment, particularly for a company which is often regarded as too cautious in its regarded as too called a large point out that the group has made a large number of acquisitions and collaborative deals in

tions and collaborative deals in the last 12 months, a pointer, they say, to the inture.

Philips, analysts contend, is big enough in medical electron-ics to take its time about chos-ing a partner. Nevertheless, the failure with GEC will be seen as a serious blow to strategy on

two counts.

First, it will undermine efforts to shift more of Philips' manufacturing to the US to avoid the fluctuations of the dollar. Secondly, it will be a setback to its programme of spinning off peripheral activities auch as medical systems into partnerships with other companies to concentrate on mainline activities. The failed talks with GEC are the third time in recent GEC are the third time in recent months that negotiations have soured on forming such strate-

soured on forming such strategie alliances.

Towards the end of 1987 a year's worth of talks fell apart with Whirlpool of the US on a possible joint venture in large domestic appliances. In December, discussions ended unsuccessfully with Agfa-Gevaert, part of the West German Bayer group, on joining an existing venture between Philips and Du Pont involved in magnetic recording tape. And earlier this month Philips reduced its shareholding in its European joint venture with American Telephone & Telegraph from 50 per cent to 40 per cent, taking a back seat in the business.

In the short term, Philips'

back seat in the business.

In the short term, Philips' dollar-related problems are an adequate defence against criticism of the breakdown of the GEC deal. But the company's reorganisation strategy is bound to come under serious question if there are more fall-ures.

hy 9 per cent, incinded one nuclear plant.
Excluding big projects, turnover would still rise by 6 or 7 per cent. The total order inflow should rise from DM50.4bn to between DM58 and DM59bn.
Siemens intends to continue

building up business in the US, Mr Kaske said. After a 19 per cent jump in 1986-87 to \$2.6bn, US turnover should approach \$3ba this year, However, it was

Electrolux · steps up dividend

LECTROLUX, THE Swedish ELECTROLUX, THE Swedish white-goods maker, yesterday underpinned a strong advance in profits for 1987 by stepping up its dividend from SKr8.75 a share to SKr10.

The company, which has grown rapidly by acquisition to head the world white-goods league, increased sales from SKr53.1bn to SKr67.2bn while profits after financial items

profits after financial items rose to SKr3.05bn (\$503m) from SKr2.58bn in 1986.

Flectrolux said that the improvement in turnover arose mostly through the acquisition of Zanussi of Italy and White Consolidated of the US, neither of which were fully taken into group accounts for 1986.

The company said markets for its main operations continfor its main operations continued to show good volume trends during the fourth quarter of 1987. "There have been no definite signs of a decline in demand resulting from the developments in the international stock market during the latter part of 1987," it added.

Mr Anders Scharp, the managing director, said that although he was happy with the result, it could have been better. The 1987 return on capital was 13 per cent. "We would like a 15 per cent return on capital, which would require a further SKr500m increase in profits," he said.

Mr Sharp said Electrolux's

profits," he said.

Mr Sharp said Electrolux's turnover was not likely to expand as greatly during 1988 as it had in the past two years, but that increased profitability would make up for the lower

rate of sales expansion.
For the final quarter of last year sales rose from SKr16.1bn to SKr17.6bn and profits improved to SKr9452m from SKr764m.

KANSALLIS-OSAKE-PANKKI

Floating Rate Capital Notes 1992

In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the next Interest Period has been fixed at 7th per cent per annum. The Coupon amount will be US\$180.01 for the US\$5,000 denomination and US\$9,005.21 for the US\$250.000 denomination and will be provide on 4th Annust.

and will be payable on 4th August, 1988 against the surrender of Cou-pon No. 9.

CYDSA, S.A.

Due 1988-1991:

CYDSA, S.A., a corporation orga-nized and existing under the laws of the United Mexican States, has offered to redeem the U.S. \$50,000,000 Floating Rate Notes due 1988-1991 and issued purspart to a First Supplement Indenture dated as of Pebruary 5, 1985 between Cydsa, S.A. and First Interstate Trust Company of New York, as Successor Trustee. as supplemented by a Second mental Indenture dated as of August 30, 1985.

Siemens shows further decline

BY ANDREW FISHER IN MUNICE

SIEMENS, the West German said. Just over 5,000 people included. Last year's figure, up electrical and electronics group, will be on short-time this hy 9 per cent, included one showed a further profits month. Siemens employs decline in the first quarter of 358,000 worldwide. Excluding big projects, turn-

Net income in the three months to end-December was down by 4 per cent to DM28bm (\$170m) compared with the same period of the previous year. The yield on turnover alipped from 2.8 to 2.5 per cent. The group has already amounted a dividend cut from DM12 to DM11 for the year ended September 1987, after earnings fell by 13 per cent to DM1.28bm.

decline in the first quarter of its current financial year and said it saw little chance of an improvement in the domestic economy in 1988.

Net income in the three months to end-December was down by 4 per cent to DM286m (\$170m) compared with the same period of the previous year. The yield on turnover alipped from 2.8 to 2.6 per cent. The group has already announced a dividend cut from DM12 to DM11 for the year mens had to consider to con-

mens had to consider to con-sider shifting more of its mate-rials purchases to the dollar

son this year. However, it was not yet possible to say when profits would start to flow from US operations, still bur-dened by start-up, reorganisa-tion, and investment costs. Last year, Siemens' US losses were about DM450m.

The group intended to keep spending heavily on investment The deteriorating economic outlook has led to a small 1987-88 should rise from and research and development, redoction in employment, and to short-time working. Mr Kartine working. Mr Kartine working. Mr Kartine working in their condens together worth DM8bn 1987-88.

Iveco expects improved profits

Profits for last year are expected to be close to L400bn, while sales rose to about L6,500bn, from just under L6,000bn in 1986.

IVECO, THE large truck-making subsidiary of the Italian Fiat group, expects to report a rise in net profits of about 50 per cent for last year. It made a net profit of L260bn (\$209m) in 1986.

Italy, West Germany and France were all profitable last year. Mr France were all profitable last year. Mr Francois Marc, president of the French Iveco-Unic subsidiary, said the French its production break-even point to between \$0,000 and \$90,000 of at least FFr300m (\$52.6m) vehicles a year, the company said Evel ding for the company and first full year of its venture with Ford. last year compared with a profit of FFr236m the year before, which included FFr90m in special gains.

its production break-even point to between \$0,000 and \$0,000 vehicles a year, the company said. Excluding Ford Cargo, Alfa Romeo and some Yugoslav production, ilveco's output last year totalled about \$94,000 trucks.

L6,000bn in 1986.

Senior company officials in Paris indicated that the profit increase reflected extensive industrial rationalisation and restructuring of the Fiat truck latter than expected. Following gains following job cuts and productivity gains following job cuts and production rationalisation in Europe during the past 10 years. The company is productively gains following job cuts and production rationalisation in Europe during the past 10 years. The company is productively gains following job cuts and production rationalisation in Europe during the past 10 years. The company is productively gains following job cuts and productivity gains following job cuts and productivity gains following job cuts and production rationalisation in Europe during the past 10 years. The company is productivity gains following job cuts and production rationalisation in Europe during the past 10 years. The company is productivity gains following job cuts and productivity gains following job cuts and production rationalisation in Europe during the past 10 years. The company is productivity gains following job cuts and production rationalisation in Europe during the same volume of years. However, losses last year with 15,000 fewer workers.



To the Holders of Floating Rate Notes of

PLEASE TAKE NOTICE that

The redemption offer is being nade pursuant to an Offer Letter dated January 29, 1988, Holders of the above-described Floating Rate Notes may obtain a copy of the Offer Letter from Orion Royal Bank Limited, 71 Queen Victoria Street London, England EC4V ADE, Atm: Agency Departmentor First Interstate Trust Company of New York, 2 Broadway—29th Floor, New York, New York 10004, as Successor Trustee.

compagnie bancaire

¥10,000,000,000 Floating Rate Notes due 1995

In accordance with the Terms and Conditions of the Notes, notice is hereby given that for the Interest Period from 3rd February, 1988 to 3rd August, 1988: (i) the Rate of interest for the Notes will be 5.15% per anumen,

(ii) the Interest Amount will be ¥256.795 per ¥10,000,000 Note.

Agent Bank The Long-Term Credit Bank of Japan, Limited

NOTICE OF CALL AND REDEMPTION To the Holders of The Bank of Tokyo, Ltd., Portland Branch

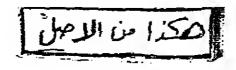
US\$25,000,000 Callable Negotiable Floating Rate Certificates of Deposit due February 17, 1989 (the "Certificates") Notice is hereby given that, pursuant to the provisions of the Certificates. The Bank of Tokyo, Ltd., Portland Branch ("the Bank") will prepay the outstanding principal amount of the Certificates identified below in tall on February 17, 1988, the next interest Paymont Date, together with the interest accrued to that date. Paymont will be made against pussentation and surrender of said Certificates at The Bank of Tokyo Trust Company at 100 Broadway, NY 10005. The Certificates being called are as follows:

Total Number(s) of Certificates Redeemed issue Date February 17, 1984 27 (Nos PT 15462-PT 15466, PT 16333, PT 17013-PT 17021, PT 17030, PT 17262-PT 17269, PT 17714, PT 17920-PT 17921)

Principal Amount \$1,000,000

Aggregate Principal \$25,000,000

The Bank of Tokyo, Ltd., Portland Branch, 411 SW 6th, Portland, Oregon, 97204



An individual investment outlook for 1988

Patience, Discipline and Forethought

Reflecting about the events of the recent past, investors the world over have more to consider than ever before.

What lies ahead

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Talk This

Given the unprecedented swings in the world's financial markets late last year, it is prudent for investors to approach 1988 with a certain degree of caution.

However, it is equally important to be in a position to take advantage of the new investment opportunities that are emerging, and this will require patience, discipline and forethought.

Time to re-evaluate

We at Merrill Lynch suggest that you carefully re-evaluate your financial goals, as well as your tolerance for risk.

You should also resolve to pursue a disciplined, informed course of action. Critically evaluate your current holdings, formulate an investment strategy based on sound information, and only make new investments that fit in with your personal goals. Being successful in today's environment will require a good deal more planning, information and flexibility than ever before.

The long view

61968 Merrili Lynch, Pierce, Feamer & Smith Inc. Member SIPC

Above all, you should stand back from recent events and adopt a broad, long-term perspective. The uncertainties of the last few months will eventually pass and investments based on sound, fundamental values will continue to be rewarding.

Gaining the advantage

During the year it will be critically important to have continuing access to the kind of expert insight that can help you keep in touch with fast-changing events.

At Merrill Lynch we offer professional guidance and service that has earned us a global reputation for standing by our clients, in good times and in bad. We have done so in recent months and we will continue to do so during the year ahead.

Backed by our financial strength and our tradition of trustworthiness, Merrill Lynch's Financial Consultants have access to global resources unparalleled in the financial world.

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For more information, call (352) 495156, or write to the Merrill Lynch office listed below.

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WOW unit put in hands of liquidator

ucts company.
The offer of A\$2.40 cash for

SOURCING International, the Hong Kong sobsidiary of Worlds of Wonder (WOW), the siling US toys group, has been put in the hands of a provisional liquidator. The move effectively stayed a number of legal actions involving claims against the company amounting to several hundred million Hong Kong dollars. Kong dollars.

WOW filed for Chapter 11 protection in the US just before Christmas. In November it.

announced third-quarter losses of US\$43m.

The collapse inflicted deep wounds on a number of Hong Kong's largest toy manufacturers. Sourcing International, which is wholly owned by Worlds of Wonder and acted in Hong Kong as its purchasing agent, said yesterday a Price Waterhouse accountant bad been appointed provisional liquidator. A creditors meeting is planned for February 29. planned for February 29.

announced third-quarter los

planned for reordary 29.

Five local companies have told the Hong Kong Stock Exchange of an exposure totalling HK\$422m (US\$54.1m). The largest, General Electronics said it was owed HK\$179m.

Sourcing said the decision stemmed from "the desire by certain creditors to satisfy their claims by having our assets sold."

Smorgon family launches A\$700m bid for Humes

Australia's best-known and most successful private business groops, yesterday launched a A\$700m (US\$496.5m) bid for Humes, the Melboorne building prod-

each share and convertible note not already owned is being made through a subsidiary of Smorgon Consolidated Indus-tries and is subject to a 90 per-

cent acceptance condition.

The Smorgons already control an effective 46 per cent of Humes. They picked up 37 per cent of the company's 166m

shares as the result of a failed 1986 bld for Humes by Mr Garry Carter's Umity/APA, and the rest through Humes' A\$346m purchase of their mini-steel mill for cash and 74m convertible notes. Another 50m notes are publicly held.

The mini-mill provides the only domestic competition in

only domestic competition in steel products for BHP, Austra-lia's largest company, and for Humes the deal added a new dimension to its brick, pipe and

. The family said yesterday that its bid compared with the published net asset backing of A\$1.53 per sbare es at June 1957. Humes' non-Smorgon directors advised shareholders not to sell pending their independent advice.

A DECISION to go ahead with development of the Escondida project in Chile, involving the largest undeveloped copper ore body in the world, is likely to be taken within six months, according to Broken Hill Proprietary, the Australian group which has a 60 per cent shareholding. It had already been established that the project was technically and economically feasible and that the mine would be an extremely low-cost producer, but mar-For the Smorgons, who have a packaging empire based on several members of the Smorgon glass, paper, plastics and other gon family arrived in Melmaterials, the deal appeared to

FAI hits record interim result

Larry Adler's FAI Insurances report record earnings for the six months to December.
Results released in Sydney showed an after-tax profit of A\$123m (US\$87.2m), up 75 per cent on the corresponding 1986 figure of A\$70m.
This was achieved on a fall in aales to A\$222.8m from A\$274m, but on the back of a aurge in other revenue to A\$1.12bn from A\$168m. The profit was also after deducting A\$86.8m for foreign exchange

TIMELY REALISATION of stock market gains helped Mr Larry Adler's FAI insurances report record earnings for the six months to December.

Results released in Sydney showed an after-tax profit of A\$123m (US\$87.2m), up 75 per cent on the corresponding 1986 figure of A\$70m.

This was achieved on a fall in alles to A\$222.8m from the disposal of its 19 per cent the sale of its 14.9 per cent sold its 20 per cent stake in Pioneer Concrete Services and its 6 per cent of A\$222.8m from CSR, the building products and resources company.

Turnbull, the merchant bank he helped to start. The group also the disposal of its 19 per cent sold its chain of private hospitals and nursing homes. the sale of its 14.9 per cent stake in Hill Samuel, the British

Savings Bank.
Mr Adler is also thought to have made a profitable exit

Exploration and oo Whitlam Turnbull, the merchant bank he helped to start. The group also sold its chain of private hospl-

tals and nursing homes.
Since the turn of the year,
FAI has built a small stake in
Pearl, the UK insurance group,
sold its 20 per cent stake in
Cumberland Credit, a cash-rich
Australian company, and
through Pembroke Securities,
helped to underwrite a rights
issue by Arladne Australia.

Petromin reshapes operations

merchant bank, to Trustee

BY FINN BARRE IN RIYADH

But there was overlap between the two. Aramco's Ras Tanura refinery was larger than any of Petromin's, while

A LONG-AWAITED reorganisation of the Saudi Arabian oli industry is now beginning, with changes in Petromin, the state oil company.

Petromin's operations will be devolved into three divisions – lubricants, refining and domestic marketing. The move is aimed at ending inefficiencies.

Petromin is one of two main oil companies in the kingdom. The other is Arabian American Oil Company (Aramco), which has generally handled explora-

aimed at ending inefficiencies.

Petromin is one of two main oil companies in the kingdom. The other is Arabian American Oil Company (Aramco), which has generally handled exploration, prodoction and crude sales. Petromin was entrusted with domestic refining and marburians.

The new Petromin lubricants division entails some difficulty. The company currently has two different blending operations, and a separate lubricant base oil refining group. Petrolube, one of the blending operations, is 29 per cent owned by Mobil. The US oil major also has a 30 per cent stake in Luberef.

to do with the export refineries, or whether to turn over the Ras or whether to turn over the kas
Tanura refinery to Petromin.
Petromin also has a minerals
division, which inclodes Mahad
Ad-Dahab, the legendary gold
mines of King Solomon. This
side, plus other peripheral
interests, may be spun off.

mine would be an extremely low-cost producer, but mar-keting and financing arrangements had still to be settled, BHP officials said settled, BHP officials said in London yesterday.

Negotiations are going on for the sale of a large proportion of the copper concentrate production to customers in Japan, West Germany and Finland. It was expected that those Germany and Finland. It was expected that those countries would also be involved in financing the project, which is expected to cost more than US\$1bn to start up.

Once the go-ahead is given, construction of the mine would take about three years.

Go-ahead

Escondida

A DECISION to go ahead

soon for

project

By Kenneth Gooding,

three years.

The massive ore body of nearly 7.8m tonnes is capa-ble of providing 300,000 tonnes a year of copper in

concentrate.
The officials made it clear The officials made it clear that the proposed A56bn (US\$4.25bn) restructuring of BHP, Australia's largest company, would not deflect the development of core businesses, incloding petroleum and eteel as well as

They suggested BHP was still interested in growth by acquisition, in spite of the big increase in debt the restructuring involved, but restructuring involved, but refused to comment on the possibility that BHP might buy the 70 per cent of Newmont Australia, the gold mining concern which Newmont Mining, its US parent, said it might sell.

said it might sell.

The restructuring effectively reduces the BHP stake held by Beil Resources, Mr Robert Holmes à Court's group, from nearly 30 per cent to just over 10 per cent.

Arab Banking reverse

BY OUR FINANCIAL STAFF

ARAB BANKING Corporation, Bahraln's biggest offshore bank, had its profits wiped out last year by a \$375m increase in provisions on its Third World lending.

It allocated \$158m from operating earnings and added \$217m previously retained, leaving consolidated oet profit at zero compared with \$107m for 1986. Its shareholders—the governments of Libya, Kuwait deposits expanded at an even governments of Libya, Kuwait and Abu Dhabi - who had received an aggregate \$53m in dividends that year, will get nothing this time.

Y11.63bn. Group assets were given as \$17.55bo compared with \$14.58bn.

SABRE IV Limited

U.S.\$100,000,000 Floating Rate Secured Notes due 1992 For the 6 months period 25th January, 1988 to 25th July, 1988 the Notes will bear the interest rate at 7%6% per annum. US\$3,823.26 vili be payable from 25th July, 1988 per US\$100,000 principal amount of Notes.

deposits expanded at an even faster rate to \$14.32bn against

Arabian Oil

37.8% ahead

ARABIAN OIL, Japan's biggest oil producer, lifted 1987 pre-tax profits 37.8 per cent to Y71.25bo (\$550.5m), on sales up 23.4 per cent to Y227.48bn, Kyodo reports from Tokyo.

The company produces crude in a neutral zone between Saudi Arabia and Kuwait.

NOTICE OF EARLY REDEMPTION U.S.\$400,000,000



The Kingdom of Belgium Floating Rate Notes Due February 2000 —

Notice is hereby given to the holders of the Floating Rate Notes that in accordance with the provisions of the Floating Rate Notes), the Issuer will redeem all the Notes on February 28, 1985 (condition 6 (b) of the Floating Rate Notes), the Issuer will redeem all the Notes on February 29, 1988 (together called the "Interest Payment Date") at their principal amount. Interest will be paid to the persons shown on the Register of Noteholders at the close of business on the fifteenth day prior to the interest Payment Date. Payment of principal will be made on or after the Redemption Date at the specified office of the Transfer Agent or the Registrar listed below, upon presentation and surrander of the Notes.

The Nates will become vold unless presented for payment within a period of 10 years from the Redemption Date.

Fiscal Agent

Morgan Guaranty Trust Company of New York 35, Avenue des Arts 8-1040 BRUSSELS

Morgan Guaranty Trust Company of New York 35, Avenue des Arts 35, Avenue des Arts 8-1040 BRUSSELS

DATED: February 3, 1988.

Morgan Guaranty Trust Company of New York 30 West Broadway

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KEM AOSK

TEW YORK ACT!

This announcement appears as a matter of record only

\$125,000,000



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February 3, 1988

The Procter & Gamble Company,

Cincinnati, Ohio USA

has acquired

Blendax Werke R. Schneider GmbH & Co. KG,

Mainz.

We acted as financial advisor.



BHF-BANK

INTERNATIONAL COMPANIES AND FINANCE

Spanish

utility

seeks

\$200m

By Alexander Nicoli,

UNION-ELECTRICA Fenosa

has awarded a mandate to

Chase investment Bank for a \$200m loan, the second

for a Spanish electric utility

problems of Fecsa, the Cat-

centage point margin over London interbank offered

rates throughout the eight-year life of the Fenosa loan,

year life of the Fenosa loan, which has a four-year grace period. Front-end fees range up to 15 basis points for banks committing \$15m.

A \$200m six-year loan arranged late last year for Hidro-Electrica Espanola met such a strong response with a live being response

with a ½ point margin that a \$100m tranche was added

with a % margin.

Fenosa's loan is its first foray to seek new money since 1984, since when it has pre-paid \$1.2bm of for-

elgn currency debt. The Spanish ntilities' position is being ameliorated by the

easing of problems over nuclear power plants and by tariff increases after a period in which they were held below the rate of infla-

Bowater of the UK has

increased its multi-option

facility being arranged by Barclays de Zoete Wedd

from \$150m to \$250m, with the committed portion raised from \$150m to

Sotheby's Holdings, the

auctioneers, is to have a \$100m Eurocommercial

paper programme with

Chase Investment Bank and UBS (Securities) as dealers. The Federal National

Mortgage Association has issued the first non-dollar

medium-term notes under

its global programme announced last year. The issue was for L12bn.

Karen Fossli on the task facing Norway's troubled oil company

Indida Plan to restore Statoil's credibility

WHEN Mr Harald Norvik, 41, suggestions that Statoil will taken "within a very sbort assumes the post of president continue to draw on Mr Johnof Statoil in late April or early sen's expertise by employing. Mr Norvik alluded only indi-In the second of the second of

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The Larry

of Statoil in late April or early
May, his first priority will be to
restore the image of Norway's
troubled state oil company.
Mr Norvik believes that Statoll's credibility at home and
abroad has suffered as a result
of its handling of the Mongatad
affair, in which the company's
spending on a new refinery and spending on a new refinery and terminal expansion project exceeded its budgetary target by some NKr6.4bn (\$1bn). My main task is to re-build

the interest of the light of th confidence in this company," Mr Norvik declares. He intends or Norvik declares, he intends to reorganise Statoll so as to strengthen its market competi-tiveness and efficiency while at the same time fulfilling political requirements at home. Discussions on a new organi-

sational structure for Statoil CHI at the Kitting of the first the are already under way. The company was created in 1972 by parliament to represent Norway's interests in oil and gas operations and to become the vehicle to exploit the country's vast offshore reserves. It cur-rently contributes about 12 per cent of Norwegian gross national product from its oil

and gas earnings.

Mr Norvik, an economist by Harald Norvik main task to training, comes to Statoil from Aker Norcem, the large indus-trial group, where he was president of Astrup Hoeyer, a civil engineering and construction compeny which is among the Mongstad contractors. He will replace Mr Arve Johnsen, who was forced to resign by a new

Liffe volume

VOLUME ON the London Inter-

builds up

large gains.

NEW ISSUE

Daiwa Europe Limited

Banca del Gottardo

out of the Statoil eystem."

In a report to the Stortinget -Norway's parliament - Mr Oelen suggested that the organisational structure of Statoil be



ties. Mr Norvik says that had the oil minister not recommended

a 51 per cent direct stake. forced into a court-supervised
"I think that Statoll can be dismantling process, with sevdivisionalised in such a way eral millions of dollars still that it will become apparent owed to foreign creditors. how the different parts of the company relate to their different markets, Mr Norvik says. He does not expect political difficulties in making "corrections" to the group.

He believes there is political through organisational changes. He looks favourably on the support in Norway for moving internationalisation process.

"You don't want to inform the

closely scrutinised with a view world of your strategies, and in to creditors and to the world oil the future this will become a provide "transparency of profitability" of the group's activities.

Mr Norvik says that had the at the same time."

You don't want to muorim the war norvik likes to emphasise to creditors and to the world oil industry that Statoil enjoys the critical issue for Statoil. It is full support of the Norwegian possible to serve national political interests and to be efficient to do so.

It is not clear, however, whether this reminder will be a supplementary to the complementary of the world of the world oil industry that Statoil enjoys the full support of the Norwegian to do so.

It is not clear, however, whether this reminder will be

him on a consultancy basis, rectly to the possibility of some ditworthiness as a result of its "No, he will not be used as a degree of privatisation for Staconsultant. Mr Johnsen will be toil. Among the models to struction of Kongsberg Vaapenout of the Statoil eystem."

which he refers of state-confabrick (KV), the state-owned trolled oil companies in which armaments group. The Norwe-private investors also own gian Government refused to shares is Norsk Hydro, in which back KV when it slid into deep the Norwegian Government has financial difficulties and was

He believes there is political support in Norway for moving Statoil into other industrial activities, though he will not be drawn into details. "Statoil was established to take responsibility for the economic operations of Norway's vast energy reserves.

"One of the biggest problems of Statoil is that information about its strategies becomes too public. This causes weaknesses in its competitivity." He believes that strategic decisions should be taken by the board, and not by politicians, as is the current system. should be hindered.

Mr Norvik likes to emphasise

was forced to resign by a new board (of which Mr Norvik was a member) chosen by Mr Arne chis examination, it would in Ocien, Norway's Oil Minister, any event have been his first after revelations of an attempted cover-up of the bings over-spending on the Mongstad project.

Mr Norvik says that had the at the same time."

Mr Norvik would not commended ment on how reorganisation of the state oil company into new divisions might affect its ability been brant by the Government's refusal to provide tered." However, Mr Norvik deals firmly with important that decisions be of Aker Norcem.

First convertible for Taiwan

national Financial Futures (Coscoling State of S

Long-term UK government bond futures remained by far bond futures remained by far vice-president of Yuen Foong after two years to exchange the the most active contract with 573,603 contracts traded cess to the Securities & price of T\$69 per share - an 11 Futures on US Treasury bonds Exchange Commission's policy per cent premium over the curatry interest rates also showed broducts. and short-term sterling and dol-lar interest rates also showed

W. Carlo

YUEN FOONG YU Paper has instrument will become an by Taiwan's Internstional Com-VOLUME ON the London Inter- successfully placed a T\$1bn alternative channel for local national Financial Futures (US\$35m) convertible bond corporations to raise funds and

A total of 1.22m rutures and options contracts worth \$218.1bn were traded during the month, 53 per cent up on December and 39 per cent up on the same month of 1987.

If government the same month of 1987. year maturity; carry an annual coupon of 3.1 per cent and will be convertible into common

This announcement appears as a matter of record only.

HOKKAI CAN CO., LTD.

U.S.\$80,000,000

5 per cent. Guaranteed Bonds 1993

the section of the section of

Warrants

to subscribe for shares of common stock of Hokkai Can Co., Ltd.

The Bonds will be unconditionally and irrevocably guaranteed by

The Industrial Bank of Japan, Limited

ISSUE PRICE: 100 PER CENT.

mercial Bank of China, with the Bank of Communications an underwriter.

Yuen Foong Yu opted for the bonds to be converted into Chung Hwa stock because a conventional convertible bond issue was not technically feasible, according to Mr Allen Hsu, a vice-president of Bankers Trust.

Taiwan law prevents a listed company from buying back its own shares. To meet obligations to subscribers wishing to con-vert, a company would have to The issue was arranged by make a lengthy application for "We hope that the financial Bankers Trust and guaranteed a new equity issue."

February, 1988

Gartmore sets up in Australia, eyes Singapore

\$200m

By Chris Sherwell in Sydney

GARTMORE INVESTMENT Management of the UK, one of the world's largest manmutual funds, has established an Australian arm and plans to open a Singa-pore operation as part of its world-wide expansion.

As a consequence of its move the group, a wholly-owned subsidiary of British & Commonwealth Holdings, will end a four-year recipro-cal arrangement with Clay-ton Robard Management, the Australian investment group which came under the control of Tyndalls of the UK last year.

Gartmore will continue to advise on Clayton Robard's A\$150m First International Equity Performance Fund until mid-July, when Tyn-dail will become adviser, and it will not launch a unit trust directly comparable with this fund before that

For its part Clayton Robard will advise the Gartmore Anetralian Trust, a fund for British investors in Australia, and the Capital Strategy Australasian Fund until September.

Gartmore has about \$8bm under management, and in Asian time zones ulready bas offices in Hong Kong and Tokyo. Its proposed expansion to Singapore will be a boost for the island state's fledgling fund man-

agement sector.

The Anstralian move comes at a quiet and still depressed time in the local share market.

Mr Owen Williams, general manager of Gartmore Australia, said yesterday Gartmore would soon be revealing its plans for the launch of new domestic and international funds.

SG Warburg to open in Canada

THE CANADA-US free trade pact will improve North American growth opportuni-ties for S.G. Warburg, the London-based securities group, according to Sir David Scholey, the chairman. The group is opening a Canadian subsidiary which is due to start operating by

the end of April.
Warburg is developing corporate advisory services, especially in the mergers and acquisitions fields in North America, and its Canadian and US clients are well aware of the potential for expansion in one another's markets, Sir David said in Toronto.

Warburg has advised Brit-isb companies in 10 large US acquisitions worth a

New issue houses hold off ahead of US auctions

BY CLARE PEARSON

THE EUROBOND market saw only light new issuing activity yesterday, with syndicate managers reluctant to iaunch ahead of this week's \$27bn US Treamarkets, even though yester-day they were expected to go well.

after a 10-month period in which Spanish borrowers were absent from the mar-ket because of the debt theless decided to go ahead less 2% bid its yield margin with a \$150m 8½ per cent five-over gilts was only about 2 year new issue for New Zea-basis points higher than at alan electricity company.

The market is etill attempting to establish a pricing level for these borrowers. Chase believes that it has done so with a ½ perand because, it sald, it was seeing steady retail demand for high-quality psper, even rants bonds emerged, with though prices of most recent Nomura International's \$150m

bonds were drifting. Sentiment improved during Industries meeting the most the afternoon after several US demand, and bid as high as 106. banks cut their prime rates by banks cut their prime rates by be percentage point to 8½ per cent, helping the reception of the bond. It was bid at less 1%. the level of its total fees. But dealers said it looked tightly priced with a 101% issue price, to yield initially 75 basis points more than comparable US Trea-

In secondary trading, Eurodollar bond prices opened as much as % point easier at the longer end, but regained most of their losses as the US Trea-sury bond market developed a more bullish tone in reaction to the prime rate cuts.

oond market was even quieter than that in Eurodollars in the wake of Mouday's surprise by point rise in UK bank base lending rates to 2 per cent block was backed by \$76m and the control of the control ing rates to 9 per cent, which left the gilt market in limbo. In early trading, prices were marked down amid uncertainty

over whether the next move in UK interest rates would be upwards or downwards. But and is priced 100.10.

year bond for Commonwealth Bank of Australia, which had been the victim of bad timing When it was launched on Mon sury auctions. The auctions day shortly ahead of the UK have cast uncertainty over the rate increase, closed at less 2%

Nomura International never-fishing" demand, adding that at said they would have preferred heless decided to go ahead less 2% bid its yield margin the issue to be priced at a small basis points higher than at launch. Two Japanese equity war-

deal for Mitsui Petrochemical

INTERNATIONAL BONDS.

Nomura said its launch had been delayed since last summer.

But Yamaichi international (Europe)'s \$70m bond for Dowa Fire and Marine Insurants bond for Denki Kagaku

bonds for Hanwa, originally launched last month as part of an equity warrants deal. The bond for Fighter pays 24 basis points over six-month vertible bond for Nikko, the London interbank offered rate,

Baring Brothers' £50m five-year bond for Commonwealth suries came too late to help the market. Domestic bond prices fell by up to 15 basis points, while some D-Mark Eurobonds shed about 10 basis points. The Bundesbank set a 64 per

bid, against 1% per cent fees.

But the lead-manager said it was prompting some "bottomGovernment bond. Some dealers the issue to be priced at a small discount. It was bid at less 1 1/4. In Switzerland, bonds were

marked a touch easier in reasonable turnover. A two-tranche bond for Austria traded for the first time. The SFr100m 4% per cent 10-year portion closed at par, against a 101 issue price, while the SFr150m 15-year 5 per cent tranche closed at its issue price

of par.

Morgan Stanley led a
SFr100m four-year 4 per cent
bond for the European Investment Bank, priced at 100%.
The deal came too late to see

ance, marking its debut in the Euromarket, also traded at a premium to issue price. Both five-year bonds bore indicated 5 per cent coupons and were priced at par.

New Japan Securities Cotober stock market crash.

at 100½. This was quoted in grey market trading at about less one bid. UBS also led a SFr30m con-

Japanese construction and industrial machinery company, the rebound in US Treasury

D-Mark bonds developed an bonds pushed prices higher easier undertone in small turn-during the afternoon, to end the over as dealers awaited details day about 4 point higher,

D-Mark bonds developed an both calls and puts, has an indicated like per cent coupon and par pricing.

Kampo cuts US Treasuries holding

KAMPO, the Japanese postal holdings, tied up in Treasury

our books at the end of March, KAMPO, the Japanese postal holdings, tied up in Treasury our books at the end of March, bouds at the end of fiscal 1986/ stream to bouds at the end of fiscal 1986/ stream to bouds at the end of fiscal 1986/ stream to the proportion of US Tream tream to sury bonds in its foreign boud portfolio, Renter reports

A Posts and Telecommunication of December 31, 1987 against 5 per cent our portfolio has been shrink-ing, said a Kampo official. The key 8% per cent Treasury bond due 2017 rose 1½ points to 106,20 in Tokyo on Monday on speculation of a cut in US interest rates.

FT INTERNATIONAL BOND SERVICE

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| Sweden 43 ₈ 92 World Bank 51 ₂ 92 | 50 | 973 | 984 | ٥ | 404 | 4,88 |
| World Bank 512 92 | 50 | 1033 | 1034 | +010 | +012 | 4.60 |
| Average price change | La Da d | ay +0 n | week | +0% | | |
| | | - | | _ | | |
| | | | D | Sept. | 90 | |
| OTHER STRAIGHTS | bowed | ESC | Offer | day 1 | week ' | Yield |
| Aegon 5% 91 FL | 100 100 100 150 | 10112 | 1024 | 0 | +04 | 5,20 |
| Aegon By 89 FL | 100 | 1033 | 1044 | 0 | +018 | 5.38 |
| Alg. St. Ned. 51, 91 FL | 100 | 10112 | 102 | +0% | +0% | 5 2G |
| Amro Bank 614 92 FL | 150 | 1013 | 1024 1044 102 102 1014 | 0 | 0 | 5.79 |
| Amro Bank 6 92 FL | 200 | 1007 983 | 1014 | -012 | -012 | 5.71 |
| Barc. Blc 162, 97 2 | 250 | 484 | 9914 | -02 | +012 | 10.41 |
| 8P Capital 131, 92 AS | 75 | TOGLA | 1045 ₀ 1021 ₂ | -03 | +04 | 12.36 |
| Desirant 73 03 ECU | - 60 | 1102 | 105,5 | -0 | +0% | 12.86 |
| Denmark 73, 92 ECU DG Fin. Co. 133, 90 AS | 100 | 2014 | 1011 1041 103 | -012 | -049 . | 7.37 11.67 |
| DG Fin. Co. 14 90 AS | 75 | +103 | TOTAL | ~~ | -04 | 12.68 |
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| Deutsche Bank 9% 97 E | 75 | 1007 | 207 | ~~" | - 67 | 7773 |
| Bentschin Rt 141, 92 AS | 100 | 1983 1106 | 98% 107 | -0-2 | +01 ₈ | 10.10 |
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| E.I. 883 93 LF | 1000 | 1102 | 1054 | +4 | +008 . | 2.70 |
| Euraton 73- 97 ECU | 145 | 462-5- | 477- | .05 | - | 2.00 7.86 |
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| Finland 6 91 FL | 100 | 1013 | 1027 | ă. | +012 1 | 5.47 |
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| Hallfax B\$ 103 97 5 | 100 | 992 | 2004 - | -D₁4 . | +022] | 0.39 |
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No information available-previous day's prior † Only one market maker supplied a price

| Complexity | Complex | C

Baring Brothers & Co., Limited Merrill Lynch International & Co.

The Nikko Securities Co., (Europe) Ltd.

Takugin Finance International Limited IBJ International Limited

Banca della Svizzera Italiana

Cazenove & Co.

Morgan Grenfell & Co. Limited

Salomon Brothers International Limited

Wigfalls agrees £16m cash offer

BY MICHAEL SMITH

A BID battle broke out yesterday over Wigfalls, the Sheffield-based electrical retailer, as high street giant Dixons topped earlier terms from the acquisitive but much smaller Bennett & Fountain Group.

Wigfalls warned investors of an unnamed third party approach at the end of last week, and yesterday morning Dixons — which takes in the Currys electrical goods chain—surprised the market by unveiling a £15m offer.

672,500 convertible preference shares — and remained in the market for shares yesterday.

By the close that interest had risen to 30.1 per cent, and Dixons is now making the offer Code - effectively dropping all conditions other than the 50 per cent acceptance condition.

B&F, however, already owns or has secured Irrevocable acceptances representing 28 per cent of the votes.

Bennett & Fountain's board met yesterday to consider the

Albert Fisher buying in US

Albert Fisher, food services and distribution company, yesterday annunced its first acquisition in the US since the acquisition in the US since the agement of speciality crops such as grapes and figs, and Arideck market crash of October. It is paying \$9.2m (£5.2m) for a 25 per cent atake in Pacific Agricultural Holdings, a Californian farm management company.

PAH, as the merged group will be called, had been looking for a capital injection through a

fornian farm management company.

"The deal takes us as close as we can get to growing produce without actually farming," said Mr Tony Millar, chairman.
"Pacific Agricultural minimises the risks normelly associated with farming because it provides management services and does not rely for its income on the sale proceeds of crops."

Fisher was given its chance of the deal because of the

BTP in Italian disposal

BTP, specialist chemical and mately £4.1m. Spa contributed

industrial group, has agreed to dispose of Spa Luigi Rizzi of Barrow Hepburn last year.

BTP also announced the sale for \$300,000 of two ioss-making company acquired at the time of its \$31.8m purchase of Barrow Hepburn last year.

BTP will receive £4m in cash completed the rationalisation

from Fimo S R L, a company controlled by Incoma and Ital-macchine Plants, a leather

machinery manufacturing con-

programme following three major acquisitions last year.

The group edded that it would use the proceeds from the disposals to reduce current

bank borrowings and to finance

us out and he questioned the commercial rationale of the larger group's offer.

Dixons, however, claims that it has looked at Wigfalls in the past, and denies that the offer is defensive. We were waiting until our half year figures were out the way, said the company yesterday. "We'te very keen to expand our space and this is a very good opportunity to acquire a large number of good sites in areas we want to be in. It's very positive."

Wigfalls takes in 106 outlets — covering 300,000 square feet in the nurth of England and the Midlands — of which about 20 are edge-of-town outlets. Its market share is estimated at around one per cent. Profits before tax in the last full year to end-March 1987 were

surprised the market by unveiling a £15m offer.

Its terms, which are cashonly and value Wigfalls some £2m more than B&F's paper offer, are recommended by Wigfalls' directors. They had previously backed the B&F offer.

The new bidder announced at the outset that it had purchased a 22 per cent voting interest in Wigfalls – comprising 1,06m ordinary shares and shares and state of the votes.

Bennett & Fountain's board met yesterday to consider the rival dand will discuss mather than with its advisers, Phillips & Drew this morning. However, Mr Stephen Coleman, B&F finance director, said and will discuss mather than the nurth of England and the Midlands – of which about 20 are edge-of-town outlets. Its market share is estimated at night, "it's not dead yet – we feel we've got more to offer on the trading front".

The Dixons bid, be suggested, but the company reported a

ened by the Dixons bid, but Wigfalis itself denies substantial duplication with existing Dixons stores.

Terms of the Dixons offer are

Yesterday, shares in Dixons which recently issued a gloomy interim statement and reported a drop in UK retailing profits — rose 2p to 196p.

Wigfalls

225p cash for each Wigfalls 22bp cash for each wignains ordinary, 170p for each convertible and 88p for the cumulative preference shares. With B&F up 1p at 41p yesterday, the value of the rival bidder's paper terms are 191p, 143.5p and 82p respectively.

Possible ownership shift at Rea Brothers Group

BY DAVID LASCELLES, BANKING EDITOR

Shares in Albert Fisher were badly hit immediately after the October crash, partly because of its exposure to the US econ-omy, but in recent months they A SHIFT is possible in the own-ership structure of Rea Brothers Group, the smallest of the City's accepting houses.

omy, but in recent months they have staged a recovery.

Mr Millar said that in the last two recessions in the US food sales had continued to grow aithough less steeply than previously, and investors were beginning to realise this.

The company's strategy remained to source half of sales and profits in the US and half in Europe, including the UK.

California.

Brothers Group, the authouses.

Finsbury Asset Management, in which advises invectment trusts owning 35.9 per cent of received the stock, has called in Phoenix of Securities, the corporate finance aubsidiary of Morgan Grenfell, to advise it on the shareholdings.

Mr William Salomon of Finsbury said yesterday: We are studying the best way forward for the bank. Nothing is imminent, and all our options are

Mr Salomon, who is the son of

Res to play in the post-Big Bang market where demand for specialised private banking ser-vices was not being met by the large financial conglomerates. Mr Salomon said Phoenix has not been asked to advise on the Salomon family holding in Res

Salomon family holdings in Rea which amount to about 16 per cant, though there might be

cant, though there might be some co-operation.
News of the discussions with Phoenix emerged after Ree Brothers issued a statement yesterday commenting on the recent sharp rise in Rea'e share price. Last Friday it went up by 18 per cent. Mr Bill Dacombe, Rea's chief

Sir Walter Saloman, the executive, eaid management founder of Rea Brothers, said would wait and see what proposition came up.

Hutchison Whampoa has 21.3% of Cluff

Hong Kong group controlled by stake in the oil exploration and Mr Li Ka-Shing, has lifted its stake in the oil exploration and mining company. Prior to the stake in Claff Oil to 21.3 per cent by way of a rights issue underwritten by Hutchison's wholly-owned subsidiary Humphred Investment. Tony Millar: plans to develop marketing and distribution was designed as a vehicle by

Hutchison Whampon, the which Mr Li could increase his

offered to shareholders at 118p each, a substantial premium to the market price for the shares, which yesterday closed at 107p. Shareholders took up 9,3 per cent of the issue, with the balance remaining with Mr Li's company, Mr Simon Murray and Mr

Canning Fok, group managing director and executive director respectively of Hutchison, will join the Cluff board as non-executive directors. Sir Thomas deputy chairman.

First half fall at Meat Trade **Suppliers**

Meat Trade Suppliers, London-based manufacturer and supplier of sansage cas-ings and butchers' equipings and onteners' equipment, reported pre-tax profits down from \$116,808 to \$72,216 in the six months to September 30 1987.

The butchers' enndries companies ebowed increased expenditure, reflected in a profits reduction. The directors said that so far in the current year, however, those companies showed brighter prospects. The caeing companies have had e period of strong demand and continual sbortage of supplies, which resnited in reduced turn-

Group turnover was down from \$3.43m to \$2,21m. After a tower tax charge of \$25,275 (\$40,883), attributable profits came ont at a enbatantially reduced \$46,940 compared with £75,925. Stated earnings per 25p share were lower at 1.79p against 2.89p, but the interim dividend was increased from 1.775p to 1.825p.

Yearling bonds rise to 9%16%

The interest rate for this week's issue of local authority bonds is 9% per cent, up % of a percentage point from last week, and compares with 10% per cent a year ago. The bonds are issued at par and are redeemable on February 8 1989.

A full list of issues will be published in tomorrow's

H & C sale

Harrisons & Crosfield said subsidiary Harcros Chemicals of Sydney sold Nightingale Chemicals division (excluding senlants and adbesives) for A\$5m (\$2m). Buyer was Henkel Australia and Harcros will continue to manufacture the Nightingale products for it.

Unitech 16% ahead but shares fall on second half warning

tor and manufacturer, yester-day coupled a 15.9 per cent jump in its first half pre-tax profits with warnings of e flat second half.

The City reacted to the announcement by marking the shares down 22p at 193p.

shares down 22p at 193p.

Advances in the group's manufacturing activities were behind the rise in pre-tax profits to \$6.35m (\$5.48m) on sales up 2.9 per cent at \$105.18m (\$102.17m) for the half year ending November 1987.

The board is recommending an 18.1 per cent increase in the interim dividend to 3,1025p (2.627p).

interim dividend to 3.1025p (2.627p).
On the manufacturing side, the company pointed to a strong performance in power supplies, particularly in the US and France, and in industrial controls, especially heating and water controls.

Mr Peter Curry, Unitech chairman, said he expected its power supplies business to continue to grow at about 20 per cent, parily through the impetus of new products which would have their full impact in the next financial year.

Component manufacturing

Component manufacturing was mixed, with lower sales of was nitred, with lower sales of telecommunications products made by its Rathdown Indus-tries division being partly off-set by stable connector sales.

The slowdown at Rathdown was due to a decline in orders from British Telecom for part of its range. Mr Curry expected Bathdown to recover, though not necessarily to its previous

Component manufacturing was marred by weak results in

the second quarter from its sys-tem distribution business, espe-cially of sales of Digitial Equip-ment Corporation products. Mr Curry attributed this to several factors, including currency fluctuations and a decision by DEC to distribute more of its goods itself.

Unitech expects the DEC business to recover in the next financial year and is also investing to move its systems businese into higher value added areas of distribution.

Its semiconductor distribution activities continued to advance in Italy, but were flat in West Germany, which the company ettributed to the general lack of buoyancy in the German computer market.

The share of group profits made outside the UK advanced to 40 per cent, compared with 27 per cent in the same period of 1986. Mr Ourry expects overseas profits to advance towards 50 per cent, corresponding to the overseas share of sales.

Trading profits were \$7.06m (\$6.69m). After allowing for interest payable of \$0.71m (\$1.2m) and taxation of \$2.99m



Peter Curry: "expecting growth"

over the company to keep investors nervous. Unitech has more than held its own in some tough markets, but competition is bound to intensify. The company is vulnerable to any downturn in the computer mar-(\$6.69m). After allowing for interest payable of \$0.71m downturn in the computer market [\$1.2m] and taxation of \$2.29m ket induced by the financial (\$1.88m), profits were \$4.06m (\$3.6m). Earnings per share were \$5.5p (7.6p).

Comment

After hearing of the flat second half, the City was busy yesterday marking down its forecasts for Unitech, which never quite manages to get all tooks set for recovery next year its divisions firing at once. While the immediate reaction to yesterday's figures might bave there are are fairly priced on a p/e of enough question marks hanging

FINANCIAL TIMES CONFERENCES

CIVII, AVIATEON IN THE PACIFIC BASIN

The Pacific Basin, civil svistion's firstest growing air transport sums, is the subject of the Financial Times conference to be held in Singspore on 25 and 26 January 1928. The capid growth in the region is already imposing strains upon the airlines, airports and the aviation infrastructure overall. It will generate a measive demand for new airrain and the money with which to buy them for many years to corns. The size of this '85 conference is to define thes problems and indicate possible developments and solutions. Contribution to the debatt include Dr Choung Coong Kong. Singspore Airlines, Mr Missonari Kawano, Japan Air Lines, Mr Frederick Bradley, Ir, Senior Vice President of Crithauk NA, Mr Michael Joses, Director of the Honghong Bank Group, Mr Horst Pohlman, Vice President of Pratt & Whitney and Mr Sydney Gillibrand, Managing Director of British Aerospore, The conference has been timed to precade the Asian Aerospore '88 Ephibition, which will be held at Singspore Changi Airport, 27-31 January.

THE PT CITY SEMINAR
The Finencial Times City Sens The Finencial Times Chy Seminars have been very gooceasful and 11, 12 & 15 February 1988 are the clates for the sixth briefling on the clanging structure of the Ety of London. The aguada includes disquision of the major markets, players and developments in the business environment. An assessment of how the Caty withstood the structure of the methoded.

Mr Win Bishoff of Schroders returns to the platform as opening speaker and among the other contributors on this occassion are Mr John Matthews of County NurWest Ltd, Mr Robert Chy of N M Rothschilds, Mrs Franceaca Edwards of Morgan Congrance Ltd, Mr John Atkin of Chileric, Mr David Buragas of Morgan Gorganica Returness Astociation. Mr March Lea, Financial Times Conference Advisor, is to that and the Rt Hou John Smith Mr. Opposition Transports Spokesman and Mr J A Domaidson, financity of KC, are two of the non-only speakers who will be addressing the sension. This programme is particularly suitable for company training achieves and the Conference Organisation will be pleased to discuss block bookings.

CARLE TELEVISION AND SATELLITE BROADCASTING
The Pleasteld Times stock conference on Cubb Television and Satellite Broadcasting, to be held by Landon on 17 and 18 February, brings together speakers from the mode Encapous Machine to notice the father of the new modils at a critical busing point in their developments. derefugueent.
The Rt Douglas Elvel, CHE, MP is to pice the opening address and will speak on creating a broadcasting attentions for the next
restary. Mr Michael Carchinel, Mr Anthony Stammes-Gooding, Mr Richard Duam, M. Cyrific Du Paloux and Mr Jurgen Dutx are
suong the distinguished panel of specimes who will review the changes that are taking place in the whole media accae.

> ny beneribbe od blunds miringen BA The Financial Times Conference Organisation, 2nd Phore, 126 Jerneya Street, London SW1Y 4UJ, Tel: 01-925 2323 (24-hour answering service) Telex: 27347 FT CONF G Pac: 01-925 2125

National Freight Consortium p.l.c.

"IT HAS BEEN YET ANOTHER GOOD YEAR HOWEVER YOU MEASURE IT. WHETHER BY GROWTH OF PROFIT, TURNOVER AND MARGIN: **INCREASE IN EMPLOYMENT OPPORTUNITIES:** WIDENING OF EMPLOYEE SHARE OWNERSHIP: PROGRESS TOWARDS THE ATTAINMENT OF OUR MISSION OF BECOMING 'A COMPANY FOR ALL SEASONS' OR SIMPLY BY THE PERFORMANCE OF THE SHARE PRICE ON OUR INTERNAL MARKET COMPARED WITH THE TROUBLED STOCK

> MARKETS WORLDWIDE." Sir Peter Thompson, Chairman

1986/87 HIGHLIGHTS

- Turnover £911 million (+22%).
- Profit before tax and profit sharing £50.6 million (+28%).
- International profit contribution surged to £11.8 million (£4.0 million).
- Profit sharing £3.2 million (+28%).
- Proposed total dividends 3.5p per share (+40%).
- Major acquisitions in the UK and USA.
- Number of shareholders increased by 31% to over 25,000.
- NFC BOARD RECOMMENDS FLOTATION.



Copies of the Report and Accounts may be obtained from: The Secretary, National Freight Consortium p.l.c., The Merton Centre, 45 St Peter's Street, Bedford MK40 2UB, The Annual General Meeting will be held at 11.00 am Sunday, February 21st, 1988 at the Winter Gardens, Church Street, Blackpool.

The consideration is in line further growth of companies with net assets of approxi-remaining in the group.

This announcement appears as a matter of record only

January 1988

IMRY INTERNATIONAL PLC

£75,000,000

REVOLVING MULTI-CURRENCY MEDIUM-TERM LOAN FACILITY

Jointly arranged by

Barclays de Zoete Wedd Limited

National Westminster Bank PLC

Funds provided by

Bank of Scotland

Barclays Bank PLC National Westminster Bank Group TSB England & Wales plc

Bank of America NT & SA The Bank of Nova Scotia

Standard Chartered Bank

Property Valuers Richard Ellis

Agents

Barclays Bank PLC

and

International Westminster Bank PLC

UK COMPANY NEWS

UNUSUAL OFFER A TEST OF USM MARKET'S MOOD

London Forfaiting aims to explain role to investors

FORFAITING is not a financing rechaigue with which most peo-ple are familiar. Few would recognise the name, let alone claim to understand it. So the offer-for-sale of London For-faiting on the Unlisted Securi-ties Market this month will be particularly interesting test of the market's mood.

quante 3 1986

share

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1. 1.

HEREY

ILOLDER

FOR Ald

STOCK

The only other company to launch an offer since the crash was Eurotume! – something of a special case given the publicity surrounding the project and the long term nature of the investment.

London Forfaiting hopes to raise between \$75m and \$80m, easily the largest amount ever sought in a USM flotation. The previous record - Mrs Fields - is not an encouraging example. Eighty four per cent of the coolde company's offer-for-sale about three years

reception.

The business of forfaiting revolves around the granting of credit to exporters. They hand over a bill of exchange or prom-issory note from their custom-ers to the forfaiter, who accepts them at a discount. It is then up to the forfaiter to col-lect the debt, aithough some security is provided as the notes are normally guaranteed by the importer's bank. The

ISLE OF MAN

The Financial Times proposes to publish this survey on:

TUESDAY 17TH MAY 1988

For a full editorial synopsis and details of available advertisement positions,

BRIAN HERON on 061-834 9381

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Alexandra Buildings, Queens Street,

Manchester M2 5LF

Telex: 666813

EUROPE'S BUSINESS NEWSPAPER

please contact:

cookle company's offer-for-sale was left with the underwriters.

London Forfaiting has already had to postpone the flotation because of the crash. There is no comparable company on the market. But LFC hopes that careful explanation of its business to institutional investors will ensure a good the company of the market. But LFC hopes that careful explanation of its business to institutional investors will ensure a good the components of the

In the first eight months of trading, LFC made pre-tax profits of \$1.96m. That was followed by profits of \$9.19m in the full year 1985 and by \$13.4m in 1986.

average maturity of a credit is reduces interest rate and



Stathis Papoutes (left) managing director, and Jack Wilson chairman of London Forfalting, pictured in Loodon yesterday.

The company claims a very low bad debts ratio — only 0.1 per cent of its portfolio — thanks to careful monitoring of currency and credit risk by its research department. It also when it acquired Exco at the related trade finance activing the related trade finance activity to the related trade finance activity

exchange risks by using hedging instruments like curreccy kets is obviously essential.

Swaps and financial futures.

However, the key to expansion is extra capital – the more LFC intends to develop not only linence. The company issued a the related trade finance activities.

when it acquired Exco at the The company expects to be end of 1986. But for the long capitalised at about £150m,

Dolphin jumps 81%

Dolphin Packaging, the Poole-based food and medical man, reported that the composition of the USM last September, plant and equipment continued yesterday announced an \$1 per cent increase in pre-tax profits affect in the extrusion of for the half-year to November PVC and styrene sheet by August, he said, and a quarter of the 40,000 sq ft of sew production space was now occuturnover up from \$4.3m to \$6.1m. Earnings per share more than doabled from 2.08p to \$6.27p. The interim dividend 24 potential companies since flotation.

BOARD MEETINGS

| The following companies have notified dates of board meetings to the Stock Eacherge. Such meetings are usually held for the purpose donteldering devidents, Official indications are not available as to whether the devidends are interest or finals and the subdivisions shown below are based resinly on last year's timetables. |
|---|
| TODAY |
| Interime-Aerospace Engineering, Bristol Channel Ship Pegainers, States Holdings. Finale-Aeronaco Brothers, Microsystems, Union |
| Discount Company of London. |

DIVIDENDS ANNOUNCED

| | Current | Date of payment | Corres - ponding div | Total for year | Total last year | |
|---|-------------|-----------------------|----------------------------|----------------------|-----------------------|--|
| Dolphin Pkg §int | 1.2 | Apr 6 | | - | . 5. | |
| Howard Hidgsint | 0.5 | _ | 0.36 | _ | 0,98 | |
| Meat Trade Supint | 1.83 | | 1.78 | • | 3.6 | |
| Unitechint | 3.1 | Mar 31 | 2.63 | - | 7.66 | |
| YRMint | 1 | Mar 18 | | • | - | |
| Dividends shown pence Equivalent after allowi- and/or acquisition issue | ng for scri | o issue, to | n capital in | creased | by rights | |

least three months, in the absence of a material change in circumstances.

Runciman had previously held 1.185m shares, jast below the disclosable level — an interest which it said an interest which it said "goss back a long time". Yesterday's market foray netted a further 1.42m shares, and took its total holding to 2.6m shares. The additional holding was purchased at 105p.

Yesterday evening, Runciman insisted that it had an present intestion to hid and

present intestios to bid and that it viewed the stake as an investment. Ranciman conceded that the two companies had discussed co-operation over the years, but said that this should not be takes as having any bearing on the current situation. James Fisher directors were assvailable for comment

Runciman

holding in

Jas Fisher

SHARES IN James Fisher,

the Barrow-in-Furness ship-ping groap, jumped 39p to 110p yesterday as Walter Runcimao, shipowner, insur-acce and security group, announced that it had more than doabled its stake to

10.9 per cent. However, the stakeholder added that it did not intend to bid for at

doubles

By Nikki Tait

Lynx leaps back into the black

last night.

Lynx Technology swang back into the black with pre-tax profits of £202,000 in the half-year to September 30 1987. This compares with a loss of £207,000 in the corresponding period of the previous year.

Turaover climbed from £305,000 to £1.81m, the majority of which was attribatable to televisioa

attribatable to television audieace measurement equipment.

The company's new prod-act, innsafe, was soccess-fully introduced in September. Its launch coincided with the rise in value of the pound and loss of economic confidence. That had an adverse effect to capital investment programmes and was causing difficulty

in major target areas.
As a result, the rate of growth of sales had been

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January 1988

Cullen's greets new investors

making convenience store chain, is planning a \$4.2m cash injection vis a 57 per cent increase in its equity. The money is to be raised by the issue of 7m new shares at 55p, primarily to a consortium of new convenience and individual. new corporate and individual

Prominent among the new investors are Belhaven, the brewer and restaurateur, and Mr Phillip Kaye, managing director of Garfunkels, the restaurant chain which control of the control of th

All-round

profit for the year would reflect the growth of the first

Turnover comprised work done £6.12m (£4.64m) amd

movement in work-in-progress £376,000 (£139,000), while operating profit rose to £984,000 (£780,000). Earnings came to 5.01p (4.49p) and there is a maiden dividend - as forecast in July's annual results - by way of a 1p interim.

advance

cent of Culian's shares, is to become a non-executive direc-tor of the troublad retailer. Beyond this, the new investors will have no role in the manage-ment of Cullen's - and Bel-haven said yesterday that It regarded its holding as a "stra-

Existing Cullens shareholders are entitled to subscribe for a total of 2.21m new shares together with 1.1m 110p warrants on the basis of one unit of taurant chain which succumbed to a \$98m bid from Belhaven in May last year. in total, the new investors will end up with more of the issue has been underthan 25 per cent of the company's enlarged equity.

Mr Kaye, a director of Belhaven who will own 11.3 per the deal was put together.

The proceeds are to be closure of 11 stores and it was deployed luitially to pay off the stressed yesterday that the company's debt, which now planned closures would lead to at approximately £2m, further exceptional costs in the present financial year. In time, it is planned to invest in additions to tha existing their of 53 stores.

The latest injection of cash is the second since Mr Peter Mat-

and supply arrangements are plus properties raised a further also being reviewed.

Cullen's ran up pre-tax losses of \$2.63m in the half-year to September iast year, on turn-over of \$11.34m. Included in yesterday's opening price of the loss were exceptional costs of \$1.07m associated with the

chain of 53 stores.

Prior to this, however, it is planned to take measures to return the company to profitability. These will include the closure of an estimated 10 to 15 stores, and the shrinkage of head office costs. Distribution and supply arrangements are also being reviewed.

Cullen's ran up pre-tax losses

Smith New Court disposal

Smith New Court, the largest independent securities firm, at YRM

yesterday announced the sale of its private client business to the National Investment Group, an umbrelia organisation for eight provincial stockbroking of an an umbrelia organisation for eight provincial stockbroking of an an eight provincial stockbroking of an an eight provincial stockbroking of an eight provincial stockbroking of an an eight provincial stockbroking of an an eight provincial stockbroking of an eight provinc

NIG was set up in the same period by linking together eight broking firms in 23 cities and towns in Lancashire, Yorkshire, independent securities firm, yesterday announced the sale of its private client business to the National Investment Group, an umbrelia organisation for eight provincial stockbroking firms in which Smith has a firms in which Smith has a stake.

period by musing 23 cities and towns in Lancashire, Yorkshire, the south west, London and East Anglia. It claims to service on an agency basis more than 100,000 clients in these areas.

Smith became one of the three material institutional shareholdsmith became one of the three major institutional shareholders in MG, alongside Royal Life Holdings, the insurance company, and Electra Investment Group. The managers and employees, who number about 340, hold 81 per cent of the charges

of Scott Goff Layton, the stock-broking firm acquired by Smith in March 1986 as part of the restructuring of the securities industry prior to the Big Bang reforms.

Shares.

The acquisition will strengthen NIG's London operations and add another 100 employees. Although Smith's active private clientele numbers

only a few thousand, in contrast to NIG it has a substantia number of extremely wealthy clients who deal in the market in five and six figure sums. Mr Michael Marks, joint managing director of Smith, said that director of Smith, said that combining the two operations would allow large savings to be made in the processing and set-tlement of bargains. This would be carried out in cheap office accomodation away from Lon-

don.

The first stage of the payment for the acquisition, the issuing of 285,000 NIG shares, will be made at the end of February. The remaining 190,000 shares will be issued at a later date depending on certain conditions being met.

The net effect was that prof-lts slumped by the six months to

December 31, despite only a slight sales decline (from

Orchid result hit by crash

Cronite deal

Cronite deal

Cronite deal

Cronite Group has purchased the business, stock, work-in-progress and certain other assets of Atlantic Metals (Birmingham), a stockist of came almost each of the business of Atlantic Metals (Charge in product mix. Orchid biames the stock market fall to Orchid had spent an extra \$800,000 on marketing in anticipation of higher sales. Margins were affected by a change in product mix. Orchid biames the stock market fall to Orchid had spent an extra \$800,000 on marketing in anticipation of higher sales. Margins were affected by a change in product mix. Orchid biames the stock market reash fall to Orchid had spent an extra \$800,000 on marketing in anticipation of higher sales. Margins were affected by a change in product mix. Orchid biames the stock market reash for the profits fall to Orchid had spent an extra \$800,000 on marketing in anticipation of higher sales. Margins were affected by a change in product mix. Orchid biames the stock market reash for the profits fall to Orchid had spent an extra \$800,000 on marketing in anticipation of higher sales. Margins were affected by a change in product mix. Orchid biames the stock market reash spent an extra \$800,000 on marketing in anticipation of higher sales.

Interest Rate Change

Allied Irish Banks plc announces that with effect from close of business on 2nd February 1988,

its Base Rate was increased from 81/2% to 9% p.a

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and branches throughout the country.

CLWYD'S

NOW WHAT DO

LOWER BUSINESS OVERHEADS?

Doing business in Clywd can be considerably cheaper than in certain

Allied Irish Bank

SHARES in Orchid Technology, the Californian software company, teli 40p to 295p yes-in April, added: "Distributors' terday, after the company inventory levels fell from about announced an 87.5 per cent fall two to three months' worth of in interim pre-tax profits.

Orchid blames the stock mardet an extra type of the profits fall to Orchid had spent an extra type of the profits fall type of the pro

semi-fabricated aluminium and came, almost all the distribustainless steel products, for tors became extremely cautious."

came, almost all the distribupersonal computer – and they cartled lower margins than the group's other products.

\$11.39m to \$11.18m) and earn-ings per abare fell to 4 cents from 38 cents in the first half of last year. There is no interim However, the company elieves results can improve in the second half. Three new products have been introduced

and the indications are that sales picked up in January. Orchid was talking to institutional investors yesterday to reassure them about the company's prospects. The original placing attempt last January had to be abandoned because of a lack of enthusiasm amongst

to buy out **Kwikform** minority

GKN plans

GEN, automotive compo-nents and ongineering group, yesterday announced plans to take full ownership of its only quoted subsid-

It is offering A\$27.1m (£10.9m) to buy the \$7.4 per cent of GEN Kwikform Industries, an Australian scaffolding company, which it does not stready own.

The 630 minority share-holders are being offered A\$4.6 cash for each_share. This represents a 70 per cent increase on Monday's sale price and more than three times net assets at the end of 1986, the latest published figure.

GEN acquired its stake in Kwikform in 1985 as part of a restructuring of its scaffolding interests conducted in conjunction with Costain, the engineering, construction and mining group.

The company said yester-day the existence of minor-ity sbareholders compli-cated long term plans for Kwikform. GKN wanted to use cash flow to invest in the business rather than pay dividends. "We want to develop the company. Wo can do it more efficiently if we have 100 per cent of the equity." eomity.

The company has been considering buying out the minority interests for some time but has been influenced by the fall in world stock market prices which has hit Australia more than most other nations, includ-ing tha UK. Before the crash, Kwikform's shares were trading at A\$4.7, about 74 per cent above their level on Monday.

GKN expects Kwikform's 1967 earnings per share to be 45.9 cents, down from 47.1 cents in 1986. Morgan Grenfell Australia is acting as advisor in the bid.

Baxter Healthcare

Travenol Laboratories, tho UK bealthcare group, has changed its name to Baxter Healthcare in a move aimed at establishing a single cor-porate Idoatity following the merger with American Hospital Supply in 1985. The new name was incor-rectly given yesterday as Baxter Heathcare.

Development side helps Howard Hldgs rise 19%

DESPITE A 24 per cent fall in Directors said that the neverturnover Howard Holdings, a opment division continued to make a substantial contribution make a substantial contribution in property development, plant hire and construction, reported interim pre-tax profits 19 per cent ahead at \$1.04m, against \$875,000.

2.3p. There is an interim dividend of 0.5p (0.36p).

and there had been a marked increase in the amount of work in progress. Plant hire achieved its best

turnover and activities and had Turnover fell from \$4.53m to expanded with two locations in \$3.45m. The company, formerly Birmingham and Sonthampton Howard Shuttering (Holdings), opening during the period. It Howard Shuttering (Holdings), closed its formwork and structures division last year.

Earnings per 10p share came out at 2.7p, against an adjusted 2.3p. There is an interim dividend of 0.5p (0.36p).

Earnings per 10p share came formwork at took \$866,000 (\$306,000) to leave attributable profits of \$579,000, against \$2569,000 last time.

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Granville Devies Coleman Limited 8 Lowst Lane, London EC3R 8BP Telephone 01-621 1212 Member of the Stock Exchange G

Equipping the Italian Army

Ferrant International Signal, bas secured a contract worth the secured a contract worth the equipment will be configured for a mix of portable and wehicular installations.

The contract, which involves the production of several thousand high frequency/single sade band (HF/SSB) radio stations, has been placed as part of an

common module for use as the receiver/exciter in the 400 watts vehicular configuration. The transceiver is completely solid-state with extensive use of C-MOS digital integrated cir-cuits. Other features include low power consumption, remote control facilities and an AM mode to enable it to operate with earlier generation equip-

Mixed bag for Higgins Group

contracts in the last six months.
The contracts consist of both
commercial and residential
schemes. The London Borough of Lewisham has awarded a \$4m contract for a two-storey kousing block new-build scheme in Honor Oak, \$E4. Another

The HIGGINS GEOUP has been awarded awarded 514.6m of building by the London Borough of Land & Urban, dwellings for contracts in the last six months. Is lington for a new-build development of the alderly in Chigwell on commercial and residential ettes.

Anglia Secure Homes awarded a Sl.3m contract to build 46 retirement flats in Wanstead, Ell. Further instructions include a business centre

Westbury Hospital extension

SOUTHERN has won a \$13m facilities by a link corridor. Construction is traditional, in local brick with a concrete-tiled point that size of Westbury Hospital, Wiltshire. Work on the contract, for the Wessex Regional Health Anthority, has begun and is dua for completion by May 1989. The single-storey unit will provide an additional 24-bed ward and a day hospital, totalling 1,600 sq metre with an upper-level plant room.

Construction is traditional, in local brick with a concrete-tiled pitched roof, to harmonise with the original hospital, built in the 1930s.

Rush & Tompkins Midlands is building a £982,000 pilot distribution depot at Nuneaton's Bermuda Industrial Estate for Ellis & Everyd The depot is to be

& Everard. The depot is to be capable of replication on the company's other distribution

sites throughout Britain. The depot consists of a 1,776 sq metres single-storey warehouse of steel portal-frame construction, clad in colour-coated steel sheeting. At one end is a 444 sq metre covered loading bay. This is balanced at the opposite end by a two-storey office building in loadbearing brickwork, with 400 sq metre of floorspace. The contract is due for completion contract is due for completion in June after a 28-week con-struction period.

New facilities for Dover Harbour

Dover Harbour Board has be displaced next year by the awarded contracts for nsw demolition of the north wing of offices and the infill of that remaining Camber area, both at the Eastern Docks. WILTEMER SOUTH EAST, based at Canterbury, part of the John due to be completed in December. offices and the infill of tha remaining Camber area, both at the Eastern Docks. WILTSHIER SOUTH EAST, based at Canterbury, part of the John E. Wiltshier Gronp, is to build a three-storey office complex to the east of the export freight building. The new building will have 2,100 sq metres of floor apace and will principally accommodate freight agents to

SEVEN SEAS DREDGING of Weybridge, has won a £1m con-tract for the infill of the remaining Camber area. Again, sand from the Goodwins, in the

The dredger Krankeloon, used by Seven Seas for an import freight area reclamation at the Eastern Docks in 1985-86, is Eastern Docks in 1985-86, is scheduled to bring 750,000 cu metres of sand required for the project baginning in early March and to complete the task by mid-May. The five hectare area will be paved ready for parking in time for the opening of a new No. 2 Berth, seawards of the Camber entrance retaining wall later this year. ing wall, later this year.

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Sheffield city centre development

A shop and office development is being built in Sheffield city centre by BOVIS CONSTRUC-TION in association with Town & City Properties (Development), both wholly-owned subsidiaries of P&O.

The \$2.3m project will provide 20,000 sq ft of office space

The new office space, occupying four floors, has been pre-let to Coopers & Lybrand, for its new Sheffield headquarters.

behind the brick facade and clad with brickwork in keeping with the adjacent buildings.

ment car parking will be available for the office occupiers' use.

Ise.
In addition to the work being carried out by Town & City/Bovis Construction, the local authority is to carry out substantial improvements to the surrounding area, Pedestrian subways will be removed and new street furniture and planting will be undertaken to ride 20,000 sq ft of office space and five shop units, using the preserved facade of a five-sto-rey Victorian building which was formerly a branch of the National Westminster Bank. A steel frame will be erected

Five shop units, developed to surrounding area, Pedestrian subways will be removed and new street furniture and planting will be undertaken to enhance the appearance of the steel frame will be erected pation by autumn 1988. Base-

New computer production facility

SIR BOBERT MCALPINE weight roofing. The 15 metres has below. There will be a two-sto-high barrel vaulted roof over the connecting mall will be a two-sto-high barrel vaulted roof over the connecting mall will be a two-sto-high barrel vaulted roof over the superstore. The contract also includes the, provision of a two-level canopic and two single level bridge and two single level bridges over the River Biss, a tem extensive landscaping and virtually a mirror image of phase i, recently completed by McAlpine under a similar con-

The new project, being constructed at right angles with a curved link to the existing compiex, comprises a high-bay manufacturing building 95 metres x 81 metres joined to a two-storey office block 68 metres x 19 metres by a six metre wide central connecting

Supported by concrete pad foundations, the buildings will be of steel-frame construction with composite steel panel cladding under steel-frama light-

tem, extensive landscaping and Dianting. Sir Robert McAlpine & Sons

has also been awarded a \$4.5m contract by Hunters Tor Securities for the construction of phase l of the Trowbridge Town Centre redevelopment scheme, which will be called

Occupying a 1.82 hectare site in Bythesea Road, tha first phase will comprise a superstore which will be occupied by Gateway Foods. The store will have 32ll sq metres of retail space on the upper level and 122l sq metres of storage area

new mini roundabout system and revised road layout at the entrance to the site from Bythesea Road, together with service yard, paths, paved areas and

yard, paths, paved areas and landscaping.

The first phase is expected to be completed by spring 1989 and will be linked across the River Biss by the two-level pedestrian bridge giving direct access to the main shopping scheme which will form the second phase of the project. This is to be developed by Shearwater Property Holdings and will Property Holdings and will comprise some 14 000 sq metres of retail space and a further 400 car parking spaces.

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Dyson Capel-Cure (UK) Limited has also placed Ordinary Shares in its role as a secondary distributor. Full particulars of the company are available through the Extel Statistical Service.

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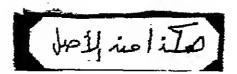
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JOBS How countries rank in directors' car league

BY MICHAEL DIXON

I HOPE readers working as directors in the Irish Republic directors in the Irish Republic who do not have a company car will be patient while I explain the table alongside. Otherwise they might glance at it, hastily conclude that the Jobs column is claiming they don't exist, and come to the FT's offices to prove the contrary with blows. prove the contrary with blows from their shillelaghs.

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The table, which outlines the provision of company cars or allowances in lieu thereof to board - level managers in 17 countries, is drawn from a survey report just completed by the Executive Compensation Service consultancy in Brussels.

Besides being the most detailed international review of the prevelance of four-wheeled the prevelance of four-wheeled perks I have seen, the report contradicts one of my long-held assumptions. I had assumed that that the country where companies were most lavish in supplying cars was the United Kingdom — England, Wales, Scotland and Northern Ireland. But, as the table shows, the survey awards the senerosity survey awards the generosity prize to the Republic of Ireland.

prize to the Republic of Ireland.

The table takes nine types of board-level executives in each of the 17 countries and shows first what proportion of the directors in the particular category have a company car or car-allowance, and second what percentage of those receiving that perk also enjoy free-of-charge private use of it. (Those figures are of course only a tiny

| Type of director: | Chief | executive | Mar | keting | S | les | Fint | ince | Admis | Istration | Pen | iennos | Manu | facturing | Engin | neering | Rese | arch |
|-----------------------|--------------|--------------|-------|---------|---------------|---------|-------|---------|-------|-----------|--------------|---------|------------|-----------|--------------|---------|--------------|---------|
| | % | % free | | % free | % | % free | % | % free | % | % free | % | % free | % | % free | % | % free | % | % free |
| : | with | private | With | private | with | private | With | private | with | private | with | private | with | private | with | private | with | private |
| COUNTRY | ¢ar | use . | car | usa | Cal | U\$9 | Car | ezu | Car | USO | car | use | car | use | car | use | car | US9 |
| treland | 100.0 | 97.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100 (| 100.0 | 1000 | 100.0 | 100 | 100.0 | 100.0 | 100.0 | 1000 | 100.0 |
| United Kingdom | 94,5 | | 92.4 | | 97.5 | | 94.7 | | 92.8 | | 88.7 | | 100.0 | | 100.0 | | | 100.0 |
| Sweden | 98.0 | | 100.0 | | 89.7 | 95.8 | 88.2 | | 100.0 | | 100.0 | | 93.6 | | 100.0 | | | 100.0 |
| Finland | 97.1 | 93.9 | 100.0 | | 96.3 | | 95.2 | | 85.7 | | | 100.0 | 100.0 | | 85.7 | | | 100.0 |
| Netherlands | 90.4 | | 100.0 | | 96.7 | | 77.8 | | 90. | | 76.0 | | 75. | | 82.1 | | 90.9 | |
| Portugal | 87.2 | 97.5 | 85.3 | 100.0 | 97.5 | | 84.6 | 93.3 | 85.0 | | 82.4 | | 77. | | 83.3 | | 80.0 | |
| Norway | 100.0 | 96.3 | 100.0 | 92.3 | 94.1 | 75.0 | 89.5 | 94.1 | 71.4 | 100.0 | 66.7 | 100.0 | 66.7 | 100.0 | 90.9 | 100.0 | 80.0 | 100.0 |
| Germany | 100.0 | | 87.5 | 74.1 | 97.5 | 70.5 | 81.7 | 64.9 | 77.3 | 3 56.3 | 76.3 | 66.7 | 75. | 67.6 | 83.3 | 67.6 | 75.8 | 64.0 |
| Belgium | 95.9 | | 92.0 | | 92.0 | | 79.6 | | 75.6 | | 79.8 | | 69.7 | | 75.6 | | 65.6 | |
| Austria: | 100.0 | | 95.0 | | 93.5 | | 82.8 | | 75.0 | | 60.0 | | 50.0 | | 80.0 | | 71.4 | |
| Denmark | 85.7 | | 69.6 | | 80.0 | | 70.8 | | | 100.0 | | 100.0 | 64. | | 80.0 | | 83.3 | |
| Italy | 94.3 | | 78.3 | | 75.0 | | 75.0 | | 77. | | 64.4 | | 62. | | 62.2 | | 77.3 | |
| Luxembourg | 100.0 | | 92.3 | | 84.2 | | 84.6 | | 50.0 | | 60.0 | | 76. | | 53.8 | | | 100.0 |
| Switzerland France | 89.7 89.2 | 82.6 68.9 | 72.5 | | 72.0 | | 73.5 | | 70.0 | | 54.5 | | 45.0 | | 73. | | 50.0 | |
| Spain | 83.0 | | 74.6 | | .76.7 70.0 | | 64.9 | | 48.6 | | 45.8 50.9 | | 66. 47. | | 64.4 60.5 | | 56.7 43.8 | |
| Greece | 82.2 | | 78.3 | | 80.0 | | 81.1 | | 44.4 | | | 100.0 | 67.6 | | 28.6 | | | 100.0 |

Figures include allowances in fleu of cars in minority of cases

sample of the survey findings.
Anyone wishing to know more should contact Paul Curiey of the Executive Compensation Service at 16 Avenue Roger Vandendriessche, Box 3, 1150 Brussels, Belgium; tel (02) 771.99.10, telex 65164.)
The countries are replied in

The countries are ranked in the table by their average provision across the board, so to apeak. As can be seen, the Irish Republic easily takes top place with a 100 per cent record in supplying cars and, save for the chief executives, in

privately without charge.
But the ECS study, like all such exercises, has limitations. In particular, all it can report is the state of affairs in the organisations contributing the original data, which in the present case numbered 1,321. It just so happened that the 33 of them located in the Republic of Ireland supply cars to all their Two in London

NOW to two London-based posts offered through separate recruiters with the Badenoch recruiters with the Badenoch and Clark consultancy, neither of whom may name their client. Both therefore promise to abide by any applicant's request not to be identified to the employer at this stage of the proceedings. The same goes for the other headhunter to be mentioned. The first of the openings, being handled by Robert Digby. Ireland supply cars to all their board-level managers. And although that finding no doubt paints an exaggerated picture of the privileges of Irish

being handled by Robert Digby, is for a corporate finance specialist with a City stock-

broker backed by a European banking group. The newcomer will join a small team working on capital-raising projects, As well as having thorough knowledge of corporate finance, candidates should be skilled in developing business relationships and have built up a net of high-level contacts in City institutions.

The salary indicator is \$60,000, plus usual finance-sector, hereafte, including

sector benefits including results-related bonus and car. The aecond offer, which is being dealt with by Jayne

Smith, is a senior manager's job with s property-development group. Responsibilities include representing the company in negotiations for large-scale acquisitions and with banks treasury-management work such as estimating future movements in interest rates, and assisting in the general running of the business.

Applicants should already be successful managers holding an

accountancy or an equivalent business qualification. Proven leadership skills are also of the

essence.

No salary quoted, but my estimate is around £40,000. Car among perks.

Inquiries to 16-18 New Bridge Street, London EC4V 6AU; tel 01-583 0073.

Sales chief

RECRUITER Philip Egerton seeks a sales director for a defence-industry company on the south coast of England with an international market in

materials for electronic counter measures and pyrotechnics. Candidates should have an impressive record in managing and handling sales of similar products for well reputed companies supplying Defence Ministries and the like in friendly countries across the world. The salary indicator is \$70,000, with the perks again

including a car. Inquiries to Mr Egerton at 13 Devonshire Place, Loodon W1N 1PB; tel 01-486 4954.

Corporate Banking

We recruit bankers to work in a wide variety of financial institutions. We seek to fill existing vacancies in:

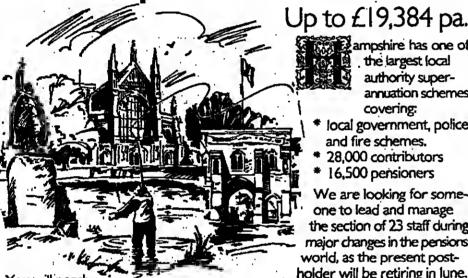
Corporate Marketing **Property Finance Trade Finance Asset Finance**

Candidates with 2-3 years' experience in any of these fields should contact Mark Hartshorne or Niail Macnaughton on 01-404 5751 or write enclosing full career details to Michael Page City, 39-41 Parker Street, London WC2B 5LH.

Michael Page City International Recruitment Consultants A member of Addison Consultancy Group PLC

HAMPSHIRE

Chief Superannuation Officer



ampshire has one of the largest local authority superannuation schemes

company directors as a whole, it is not the Jobs column's fault.

- covering: * local government, police
- and fire schemes. 28,000 contributors
- 16,500 pensioners

We are looking for someone to lead and manage the section of 23 staff during major changes in the pensions world, as the present postholder will be retiring in June.

- * considerable experience in superannuation administration
- * the ability to make best use of computer systems
- * the necessary managerial background
- * and should preferably be a qualified accountant.

The existing online administration is now being enhanced by using the ORACLE relational database software which will then provide exceptionally comprehensive and easy to use facilities.

We can offer:

- * relocation assistance up to £4,500 plus removals, disturbance and travel costs.
- * mortgage subsidy scheme.

We pursue a policy of equality of opportunity. Applications are particularly welcome from people with disabilities.

For an informal discussion, please contact Dennis Price on Winchester (0962) 84756.

For more details and an application form, please contact: Personnel Officer, County Treasurer's Department, Hampshire County Council, The Castle, Winchester, Hants. S023 8UB. Telephone: Winchester (0962) 847487. Closing date: 19th February 1988.

COUNTY TREASURER'S DEPARTMENT

Jonathan Wren

Two major European banks, who are expanding their successful dealing teams, are seeking several dealers. Applicants should have a minimum of three years experience of either spot cable or S/major European spot/forward dealing. Very competitive salaries and benefits will be offered to arract the highest calibre candidates. Contact Norma Given.

EUROYEN TRADER £70,000

Our client, a highly reputable market making institution, is looking to strengthen its trading presence in the bond market and requires a dynamic, young europen trader to fulfil a key role within their trading team. The successful applicant, aged 26 to 32 years, will be currently enjoying a successful trading role with a major market maker. Contact Anna Ferwicke.

SALES MANAGER £50,000 + benefits

Due to increased global activity our client, a major international finance house, is currently expanding its direct sales team and requires a highly experienced senior sales person to lead them. Aged between 28 and 32 years, the ideal candidate will possess a wide knowledge of all capital markets products and sectors and will have gained strong leadership and man-management skills with a major market player. Excellent future career prospects are differed together with an attractive benefits package. Contact

HONG KONG LONDON

SINGAPORE

SYDNEY

Recruitment Consultants No. 1 New Street, (off Bishopsgate), London EC2M 4TP. Telephone: 01-623 1266. Fax: 01-626 5258.

CANADIAN EQUITY SALES £Excellent

We are experiencing considerable demand from North American Stockbrokers for ambitious individuals with at least two years Canadian Equity Sales experience.

Both clients are eager to develop further their international distribution capability in recognition of the strength of their domestic foundations.

These represent excellent apportunities for career progression and remuneration will be made sufficiently attractive to the right candidate.

UKEQUITYSALES £25,000 to £50,000

Our client, a UK Stockbroker with the backing of a major International Bank, is undergoing a period of planned expansion.

Consequently, we are seeking experienced UK Equity Salesmen who are keen to develop their careers further in a professional and friendly environment with a firm committed to future

To discuss these positions further in strictest confidence, please contact Christopher Lawless. Stuart Clifford or Hilary Douglas on 01-583 0073 (answerphone outside office hours).

BADENOCH & CLARK

THE FINANCIAL & LEGAL RECRUITMENT SPECIALISTS GLLOYDSAVENUE LONDONECS.

SENIOR FINANCIAL EXECUTIVES

US Equity Trader Salary £TBA Major US House requires a young, dynamic individual with at least 3 years trading experience in the US equity markets. Excellent opportunities plus a totally negotiable package to

US Treasury Executive Negotiable Prominent US banking group seek senior US Treasury executive. The successful applicant will have extensive knowledge in this area.

C/M Operations Salary up to £60k basic Expanding International House seek people with several years experience in Japanese Yen or US Convertibles to develop their Operations department. Genuine potential plus a generous package.

following fields:- Canadian Bood Sales; Canadian Equity Sales; Segior French Analyst; Europeao Equities Sales/ Traders; Fixed Interest Sales; Yen specialist.

Our clients seek experts with in-depth experience in the

For further information on these and other positions available, please contact:-

Les Martindale or Fiona Cuadingham CAMBRIDGE APPOINTMENTS **Executive Search Division** 232 Shoreditch High St. Loadon El 6PJ Telephoae 01 377 6488



All applications will be treated with the strictest confidence.



Development

PRINCIPAL MARKETING ADVISER SALARY - £20,667 TO £22,164

As part of its continuing commitment to tackling unemployment in Strathchide the Regional Council, Britain's Largest Local Authority, has recently created this important new senior management post to strengthen its industrial Development Unit, which is based in the Chief Executive's Department. We are now looking to recruit an enthusiastic Business Professional with extensive experience in the following areas to lead a team of once staff:

- MARKETING - TRADE DEVELOPMENT AND PROMOTION
- INWARD INVESTMENT

The successful applicant will be responsible for © Developing and directing all aspects of the units marketing and promounted activities at home and abroad © Liaising closely with senior personnel in Strathelyde Companies, Local Authorities and Public Agencies © Developing and managing the Council's Business Opportunities Database.

In addition to the salary stated the post has an attractive package of Conditions of Service including Car Leasing or Assisted Car Purchase, Removal Expenses, Non-Complainty Life Assistance and Contributory Supersanuation Scheme.

For an application form, yob description and further details of the post and the Industrial Development Unit please coulact - The Assistant Director of Personnel Services, Giesgow Sub-Region, Strathelyde House 8, 20 india Street, Glasgow, G2 4PP: Tel No. 237–2360, to whom completed forms should be returned quoting Reference Number G01153 by 22 February 1988.

An Equal Opportunities Authority

Independent Fund Management Group

Marketing Manager

West End

An unusual and stimulating role is envisaged for a Financial Marketing Specialist to join an independent Fund Management group. This is a senior appointment in a relatively small grouping which has close and vital links with a number of top rated City institutions. Our Client's interests include investment trusts, other corporate lunds, the portfolios of high net worth individuals and a growing Unit Trust business. It is in this latter area that the main contribution is sought.

The job will appeal to a generalist who is equally at home with product development and marketing - including public relations - advertising - sales to leading professional

Ideally the person they seek will be in their early thirties with a Graduale background and will have worked for one of the major financial groups. Experience of similar projects is obviously essential, as is practicality and the ability to work within a relatively small group and to contribute. Our Client would consider applications from a wider age background, provided the person concerned has relevant product experience. in addition to the salary indicated, there would be a normal range of benefits, including a

car and share options in the longer lerm for the right person. In the first instance, applications should be addressed to Colin Barry, Senior Partner, of Overton Shirley and Barry, and will be treated in total confidence. Please write to him at Prince Rupert House, 64 Queen Street, London EC4R 1AD. Tel: 01-248 0355.

Overton Shirley & Barry

Clerical Medical Unit Trust Managers launched its first trust three years ago. The business has been developed rapidly and we now have £170m under management spread over 13 trusts. This is just the beginning. From this start our aim is to build a major business, based on Clerical Medical's investment expertise and reputation for integrity and

Unit Trust Marketing Manager

BRISTOL

This appointment is key to our future plans. Reporting to the Chief Executive, the Marketing Manager will be responsible for all aspects of marketing unit trusts and for ensuring that the organisation responds to changes in the business environment. Planning and strategic thinking will be major



We are looking for a marketing professional with extensive unit trust experience. Your management skills will also be important as you will head a department consisting of three fast growing marketing teams.

In return we offer an excellent salary and benefits package comprising a company car, non-contributory pension and mortgage subsidy.

Please apply with detailed CV to Nick Morgan, Senior Personnel Officer, Clerical Medical Unit Trust Managers Ltd., Narrow Plain, Bristol B52 0JH. Tel (02721 290566.

c£30,000 basic

benefits package

Probably in your 30's, it is assential

to be fully conversont with the adminis-

trativa, legal and accounting technica-

lities of unit trusts and to demonstrate

expertise in the application of computer-

Car and valuable bank

Head of Administration

(Director Status)

Unit Trusts

City

Our Client, part of a leading British International Bank, seeks o Head of Unit Trust Administration to manage, motivate and provide technical gui-

dance to a team of eight.

Bosed at Head Office, your brief is to assume control of day to day oparotions in the deportment and be instrumental in its future development.

55/6 St. Jomes's St.,

London SWIA ILQ. Tel: 01-491 3811.

ised systems to unit trust administration. Some experience of management would be a preraquisite. Ta apply in canfidence,

please phane or write to our consultant, Fiona Law, quating ref 1105.

IT Consultancy – Investment Banking

Keeping your options open

City

to £45,000 + car

These openings with a leading international management consultancy offer the chance to enhance significantly your earnings and career potential. Our client acts for some of the most prominent banking and financial organisations in the City and has been at the forefront of change in this increasingly complex sector.

The work is both varied and demanding and includes high level advice on IT strategy, systems development and implementation. Consultancy teams are multi-disciplinary and you will be working alongside some of the most talented people in the business. There is a flexible and responsive style of management, with particular emphasis on career development and training.

Probably in your late 20s or early 30s, you must have a thorough understanding of the securities and capital markets industry or financial services sector gained either in consultancy or in investment or merchant banking. Alternatively, you could be working in an organisation providing specialist support services to the City such as a software house, financial information company or computer manufacturer. The rewards are high and the longer term opportunities excellent, whether you decide to stay in consultancy or otherwise.

If you are interested or wish to know more, please telephone or write to John Cameron, quoting reference CF863, at 84/86 Grays Inn Road, London WCIX 8AE (telephone: 01-404 5971).

CAMERON · SIMPSON

Consultancy Search Selection

Compliance Lawyer Global Investment Bank

Package in excess of £50,000

Due to expansion, we invite applications for the post of Compliance Lawyer with a prestigious International

Reporting to the Head of Legal and Compliance the successful candidate will be responsible for developing and maintaining procedures to monitor the diverse activities of the bank's London operations. The bank is a major player in the International Capital Markets both debt and equity, Sales and Trading, Gilts, Corporate Finance and Investment Management.

Candidates should be legally qualified with experience gained within the field of Regulation/Compliance or a major City law firm. The environment is dynamic and fast moving and the successful applicant will be expected to respond quickly and positively to new developments.

Please contact Paul Wilson or Penny Bramah in confidence on 01-404 5751, or write to them at Michael Page City, 39-41 Parker Street, London WC2B 5LH.



Michael Page City International Recruitment Consultants

A member of Addison Consultancy Group PLC

Opportunities for Accountants in

Venture Capital

At the request of 51. Michael Page City is now looking to introduce high calibre ACAs to the exciting and innovative world of Venture Capital. As an Investment Controller with 3i you will

need to satisfy the following criteria:

- ★ Graduate Chartered Accountant Age 25-30
- * Broad post-qualification experience either in practice or within industry/commerce
- * Commercial and innovative approach to business development and strategy
- * Highly developed written, analytical and interpersonal skills.



City will be nothing premina interviews for Investment Controller positions for 3i regional offices throughout the UK.

In particular we are keen to talk to applicants interested in the following offices:

- * South East London, Reading, Brighton
- * South West Bristol, Cardiff
- * Midlands Birmingham, Nortingham,
- * The North Sheffield, Liverpool, Manchester

If you are interested in finding out more about a career in Venture Capital with 3i, please telephone Lindsay Sugden ACA or Venetia Crow on 01-404 5751, or send your curriculum vitae to them at Michael Page City, 39-41 Parker Street, London WC2B 5LH

Investors in Industry

Business Development Fund

Executive Managing Director

c. £35,000

Lothian Enterprises Ltd will operate a new and imaginative Business Development Fund within Lothian Region. The initial emphasis will be to provide a source Business Development Funding (equity and loan), and Project Appraisal Funding. The aim is to encourage the establishment and growth of commercially viable companies which might not otherwise obtain funding from other sources.

Lothian Enterprises Ltd, is being established with grant assistance from Lothian Regional Council as a company limited by shares and will be a subsidiary of Lothian Enterprise Board Limited.

The Company is looking for its first Executive Managing Director whose responsibility will be to establish this new Fund.

The ideal candidate will have all or some of the following attributes:-

Practical experience of establishing and running a company.

O Business development consultancy experience.

O Business Fund Management experience

The post will offer a salary negotiable around £35,000 together with appropriate benefits. (A secondment may be

Application is by C.V. and should be returned by the closing date, 12 noon on Monday 15 February (quoting reference JAD/CNA, marked "Confidential") to Lothian Enterprises Ltd, Dundas & Wilson Solicitors, 25 Charlotte Square, Edinburgh, EH2 4EZ. Interviews will be held on 14 and 15 March 1988.

國 LOTHIAN ENTERPRISES Application details are obtainable by telephoning Edna Williams, 031 - 229 9293, ext. 3491.

LIMITED

For informal discussion, telephone Jim Dickson on 031 - 229 9292, ext. 3468.



Marketing Manager

Agency Division

c. £40,000 + car

Liverpool

Following a reorganisation in this leading financial services company, part of the international Royal Insurance Group, this new post has been created. The Marketing Manager will report to the Division's General Manager as a member of a small senior management team controlling its operations. He or she will lead the marketing department, working on the development and promotion of a wide range of life and pensions products sold in the UK.

The successful candidate will have a background in financial services, ideally in the unit trust or life and pensions industries. In addition to exceptional marketing and management skills, he or she must possess a strong strategic sense and entrepreneurial flair to enable the Division to take advantage of extensive new business opportunities and facilitate the continued rapid growth of this major Group.

In addition to a substantial salary, very attractive benefits and relocation expenses will be provided. Interviews can be arranged out of London.

Please apply to: Sir Timothy Hoare Bt., Career Plan Ltd. 33 John's Mews, London WC1N 2NS. Tel: 01-242 5775.

MAJOR TOUR **OPERATOR**

Requires young ambitious accountants (23 - 30), seeking a demanding and challenging role with the opportunity to work with one of todays most sophisticated computer

FINANCE MANAGER c£20,500 Responsible for all accounting spects of the overseas opera

INTERNAL AUDIT MANAGER 629,599 Frequent travel both abroad and in the UK. FINANCIAL ANALYST c£29,500
To develop and improve pric-

ing procedures.
CURRENCY REQUIREMENTS ACCT e215,000
Part qualified accountant with
insight to revise currency pro-Benefits include

* Generous Holiday

25 days holiday Please call Nadia Miscione, Meridian Associates Ltd (Rec Cons) 01 255 1555.

seeking INTERNATIONAL

Credit Inspection Manager

Neg to £28,000 plus car

Girobank is a highly progressive and forward thinking UK dearing bank—continuing to increase the range of financial services it offers, of developments in corporate credit activity, we now have a vacancy for a Credit Inspection

Reporting to the bank's Head of Audit and Inspection, this is a key senior management role with responsibility for the consolidation and further development of the credit inspection function. The main purpose of your lob will be to plan, undertake and manage reviews of all activities relating to mainstream corporate lending and to other banking products involving credit risk exposure such as letters of credit, will involve close liaison with Corporate Banking Managers at senior level in both our Regional Offices and London and with the bank Operational Audit team. The position is Bootle,

possibly London, based and will involve a

substantial travelling commitment.

You will have several years bank landing and bank inspection experience, together with a full lending operations, securities and legal requirements. You will need to be highly self motivated, be able to lead and develop the bank's Credit Inspection team and have good interpersonal skills. We would also expect you to have a professional banking qualificatio

Benefits include a contributory index-linked pension, five and a half weeks holiday and sistance with relocation expenses where necessary. A car will be provided under the bank's contributory car scheme. Should a London appointment be made, a London Nowance of £2,100 will be paid.

Please apply in writing outlining your carear progress, current salary and how you meet our requirements to: Paul Wildes, Mar Appointments Manager, Girobank, Bridle Road, Bootle, Merseyside, GIR OAA, Tel: 051-966 2487.



Hoggett Bowers plc Executive Search and Selection Consultants

A MEMBER OF BLUE ARROW PLC

UK Institutional Sales A leading Securities Flouse is looking for additional top quality UK institutions equity salesmen to reinforce its existing team. Candidates will have a minimum of 2 years experience, ideally more and the remnaeration package will reflect th quality of the personnel required.

We are also continuing to look for experienced EUROPEAN SALES AND RESEARCH staff for a number of our clients. To \$40,000, Benefits

In accordance with long-established plans for their London operation, reputable West European bank is implementing a major programme of expansion within their Forex Dealing area. A number of dealers are sought with experience in the following: off balance-sheet products [2] (FRAs, Futures, Interest-rate swaps): US 5 Deposits and CDs; Sterling Deposits; Costomer Services. The positions way in seniority but three years varied dealing experience would be a minimum to morth consideration. Excellent salaries are supported by first class benefits and the opportunity to work in very smart new premises.

German Analyst

A prominent stuckbroker with a first class reputation in Europe is looking for an additional analyst in cover the German market. Candidates will be fluent in German and will have a minimum of 2 years experience in a similar especity. There are excellent career development prospects attached to the position. The salary is negotiable according to experience. Manager - Treasury

City based European bank curroutly seeks a Manager for their Treasury department. You will be responsible for the efficient running of this busy support area which covers FX. MM and new instruments. Candidates will have last the spans to pure the last the spans to be a first to be new instruments, in addition to sound technical and man-management skills.

Business/Systems Analyst

This is an excellent opportunity for someone with a Banking/Operations background. The position involves designing, implementing and recommending systems for different departments, carrying out feasibility studies, cost analysis etc. Candidates must have a high level of interpersonal and communication skills, be numerate, understand and use data in order to identify change and a significant level of organisational skills. Familiarity with IBM 36/38 and Mides is essential.

CITY DIVISION

The second secon

French Equity Research/Sales A prime Europeen Bank wishes to recruit an individual to work in a team providing French equity research and sales to UK institutions. This position affers an exciting opportunity to develop a career in an expanding area of their operations. The right candidate will be fluent in French and have some experience of the French market probably in a research capacity. Salary will be negotiable according to experience.

Corporate Finance

Corportate restauce

A first class interactional Bank is looking for an executive to provide research and analytical support for the marketing of corporate finance services to UK Corporates. Responsibilities will include client visits with the potential to davelop your own client base. Candidates will have a good degree, 1-2 years city experience perhaps involving marketing to UK corporates. Knowledge of mergers and acquisitions would be useful but not mandatory. Fund Management - Graduate Premier English Mercham Bank seeks to recruit a graduate for first class opportunity within international fund management. With a minimum of 18 main work appearance the reputable of the institution, candidates must possess proven interpresonal skills. Initially, the position will entail assisting a Senior Fund Manager as part of a team of 10 handling funds worth £5/6 bn. Prospects for a challenging, rewarding career are excellent.

01-588 4305/6 Moorgate Hall, 153/157 Moorgate, LONDON EC2M 6XB.

U.S.TREASURIES TRADER

CITICORP INVESTMENT BANK JAPAN is looking for an experienced dealer in all U.S. treasury instruments ... someone who can make a major profit contribution.

The candidate should have a minimum of 5 years experience, familiarity with all related products and is willing to re-locate. Salary and bonus are highly competitive.

If you are interested, have the necessary qualifications and would welcome a challenge in the world's most exciting marketplace, send your resume to:

> JAPAN INVESTMENT BANK ATTN: PETER SKORPIL ARK MORI BUILDING, 24TH FLOOR 1-12-32 AKASAKA, MINATO-KU, TOKYO 107

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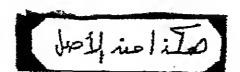
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Portfolio Management

UK and International Equities

Central London

Our client's pension fund is one of the largest in the UK with over £4 billion assets and a high level of investment activity, the scale of which creates these challenging career opportunities for experienced professionals.

UK Equities Manager

The UK Equity Funds currently under management are worth £2 billion. As Portfolio Manager, you will be responsible for the investment management of part of the UK equities portfolio.

Your background will normally include a relevant degree and you should have several years' experience in the UK equity market, preferably including some fund management, gained in a similar environment or with a stockbroker. Ref: T5014/FT.

Far East Portfolio Manager

Responsible for a Far Eastern portfolio of £160 million predominantly invested in Japan you will use your expertise to assess market movements in a rapidly changing environment

to £40,000 + car

You should have several years' experience in the Japanese equity market and preferably some knowledge of other South East Asian markets. Ref: T5015/FT.

North American Portfolio Manager

Your responsibility will be for the North American portfolio currently worth over £200 million.
You should have at least 4 years' experience of the US equity market including some fund management.

These appointments offer a high degree of discretion and responsibility in a progressive environment. The salaries and benefits packages are very attractive, and include a car leasing scheme, generous holiday entitlement and relocation assistance where applicable.

Please send full cv, quoting the appropriate reference, which will be forwarded to our client more medical companies to which it should not be sent.

listing companies to which it should not be sent.)

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

COMPANY LAWYERS

Applications to join our Company Department are invited from March qualifiers and qualified lawyers with some experience.

The work of the Department includes corporate finance, new issues, mergers and acquisitions, management buy-outs, privatisation, insolvency and regulation. The Department also advises the firm's corporate clients on all aspects of company law and works in close co-operation with the firm's other specialist departments.

Successful applicants will be working in a challenging and stimulating environment and will be expected to have the appropriate intellectual and practical abilities. We provide a structured programme of training and support, including in-house lectures and seminars, to ensure those joining are quickly integrated into the Department and the firm.

If you want to develop your career with a major City firm working in a friendly environment please write with a curriculum vitae to Kate Howles, Clifford Chance,

Royex House, Aldermanbury Square, London EC2V 7LD.

CLIFFORD CHANCE

THE MERGED FIRM OF COWARD CHANCE AND CLIFFORD-TURNER

BRUSSELS HONG KONG LONDON NEW YORK PARIS SINGAPORE UNITED ARAB EMIRATES ASSOCIATED OFFICES AMSTERDAM BAHRAIN MAORID SAUDI ARABIA TOKYO

Our client is a leading European Group of Companies with

its main interest in immunology and its applications in

To assume charge of the financial function of this Group,

FINANCE DIRECTOR

Languages: English, French and another European language.

Your application will be treated with the strictest confidence.

national organizations.

Age; between 35 and 40.

8-1040 Brussels, Belgium.

Ha should be of European nationality.

He will perticipate in the definition of the Group's policy and his responsibilities will include:

acquisitions; 🗆 consolidations; 🗖 negotiations with financial institutions, national and inter-

We envisage the potential candidate having well established connections in the financial world.

Please write to NIA S.A., for the attention of R. VAN MUYLEM, boulevard St.-Michel 83,

□ implementation of the Group's long term plans; □ capital increases; □ mergers and

The candidate should be dynamic, hard working, creative and edaptable.

we are looking for a highly professional (m/f)

Senior Economist to £30,000

Decisive Economist required to head up a Research Team specialising in Foreign Currencies and Futures Markets.

Young Graduate Economist to £12,000

Graduate Economist/ Mathematician required by prestigious international financial services group. Excellent prospects for a young, ambitious and well presented high flyer.

Meridian Associates (Rec Cons) 01 255 1555

Equity Salespeople **Investment Analysts**

Telephone DR. ELSPETH DAVIDSON

Support Staff

01-439

FOREX

APPOINTMENTS for Forex, Capital Markets and Treasury appointments consult a specialist agency Terence Stephenson Prince Rupert House, 9-10 College Hill, London ECAR 1AS Tel: 01-248 0263

BANQUE INDOSUEZ BELGIQUE Anciennement Banque du Benoluiz

Member of a major French banking group with a worldwide network, wishes to strengthen its FINANCIAL ENGINEERING team by appointing, for its Brussels office, an (m/f)

EXPERIENCED YOUNG INVESTMENT BANKING OFFICER

(Ref.: DFCE/0130/FT)

You will take part in the development of our financial services including project financing, loan syndications, swap techniques and other innovative financial products with the responsibility to sell these products to borrowers and to the market.

You should preferably be around thirty with at least 5 years expenence in a similar environment and you should have a strong background in analytical skills.

Your knowledge of French and/or Dutch and English is very Important. Your personal qualities should be: imagination, discretion, self-motivation and dedication to your work.

An attractive remuneration package is offered plus real prospects for your career progression within the group.

Please write in confidence with a comprehensive c.v. and photograph to Mr. M. t'KINT de ROODENBEKE, Deputy Manager, Banque Indosuez Belgique s.a., rue des Colonies 40, 1000 Bruxelles.

RECRUITMENT CONSULTANTS GROUP

3 London Wall Buildings, London Wall, London EC2M 5PJ Tel: 01-588 3588 or 01-588 3576 Telex No. 887374 Fax No. 01 256 8501

Opportunity for successful fund managers to share in the growth of this successful firm.



DIRECTORS OR SENIOR EXECUTIVES — **FUND MANAGEMENT**

LONDON - WEST END

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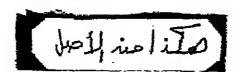
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desirable.
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London

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COMMODITIES AND AGRICULTURE

EC court victory for UK sheep farmers

By Tim Dickson in Brussels

BRITAIN'S sheep farming industry won two important victories yesterday when the ruled in its favour over the way a controversial export tax and a special ewe premium scheme were being cal-

culated by Brussels.
But the decisions could also
raise new tensions io the simmering "lamb war" between
France and the UK. Mr Simon Gourlay, President of Britain's National Farmers

Britain's National Farmers'
Union, welcomed the legal
judgements last night and
said that he would be pressing for early repayment of
"the millions of pounds of
which our sheep industry has
been deprived by the European Commission." NFU officials reckon that the payments could amount to ments could amount to around £13m in total.

About £10m of this is thought to relate to the way the single ewe premium was calculated between the Spring of 1984 and the end of 1985. Uoder the rules of the system the payment to British farmers is made after the deduction of the weighted average of the variable slaughter premium, a subsidy which is only avail-able in the UK. The British Government complained that the premium figure had been overstated as a result of the Commission's methodology and the court agreed.

In this case it seems to have restricted its observations to the detailed regulations of the

brought by producers as well as by the Government - the court Indicated that the Commission had exceeded its powers under the Treaty.

ALTHOUGH SENEGAL'S peamut farmers reaped a bumper harvest last year the country's key export industry is far from healthy. relevant regime. In the two clawback cases

powers under the Treaty.

The problem arose because of the way in which Brussels levied the export tax on ship-shake off the disastrous effects ments of ewes, rams, and light lambs which do not qualify for the UK's variable premium. The principle of the clawback — essentially designed to neutralise the effect of the variable premium on UK exports — was not an iccue as such only the exceeding the the Government's mium on UK exports - was at about 850,000 tonnes, not an issue as such, only the way in which it was levied on certain animals. Britain has long suspected that this was a political gesture designed to limit exports of lamb from the UK to France.

The off the credit for the bumper harvest belongs to favourable rains rather than to policy improvements, but the Government can justly claim to have taken come store in the width

One of the most surprising aspects of yesterday's decisions was the way the court went against the opinion of its Advocate General in one of the clawback cases. The Court said that Article 9 (3) atock has been restructured. of the Treaty did not disclose These measures may go some an intention to confer wide way to easing the problems of discretion to the Commission and that it was therefore neoessary to refer to the funda-mental objectives of any com-mon market organisation. Today peanut farms cover 40 per cent of all cultivated land

CAP complexities 'can lead to fraud'

THE REGULATIONS governing the import and export of commodities that fall within the purlieu of the European Community's common agricultural policy are so complex that they can easily lead to fraud. Britain's National Audit Office declared in a report published yesterday.

The ECs import and export to filly standardised procedures, involve not only the collection of duties but also border taxes and subsidies tory amounts (MCAs).

The system is such that its out that its out of an export refund but end up in a country which does not.)

In the first category, the Customs and Excise departmenting the meant being subsequently which manipulated involves for imports of certain wines allowed into the EC tariff free: which manipulated involves for imports of certain wines allowed into the EC tariff free: allowed into the EC tariff free: import levies of £1.4m should have been paid.

The well known "carousel" to have netted £100 per the collection of duties but also border taxes and subsidies known as monetary compensatory amounts (MCAs).

NAO notes the prosecution of a trader who claimed £150,000 in Agricultural Produce: Nation export refunds on cattle which Audit Office. HMSO, £4.10.

were to have been exported to Yugoslavia but in fact went to the Netherlands.

The European Commission is in the process of setting up a task force to combat fraud: However, the NAO notes that despite innumerable official despite innumerable official enquiries into such irregularities, there has been no significant change over the last decade it notes: "The necessary reforms to improve and simplify the regulations and reduce irregularity have not taken place"

External Trade Measures for

Kuala Lumpur tries to curb speculation in palm oil market

BY WONG SULONG IN KUALA LUMPUR India is believed to have purchased as much as 1.1m tonnes of Malaysian palm oil last year, compared with its normal purchases of 600,000 tonnes, to make up for the drastic shortfall in its edible oils production

PALM OIL traders on the Kuala Lumpur Commodities Exchange yesterday began paying higher margins (initial down-payments on contracts) io line with fforts by the authoritles to

on contracts) 10 line with efforts by the authorities to curb excessive speculation.

The Malaysian Futures Clearing Corporation, which guarantees trades on the KLCE, announced that margins for spot deals for crude palm oil were being increased from 3,000 ringgit (£666) to 4,000 ringgit per 25-tonne lot, while margins for forward contracts rose from 2,000 ringgit to 2,500 ln spite of the world stock market crash last October, the past few months, with CPO prices rising from 850 ringgit at tonne to a high of 1,270 ringgit.

Average daily voluma during the past two months exceeded 1,000 lots, three times higher than in the same period a year ago. Prices have also seen wide fluctuations.

India's heavy palm oil purchase in the same period a year ago. Prices have also seen wide fluctuations.

fluctuations. India's heavy palm oil purchases have been a major factor in inducing the speculative fer-your. It announced last week that it was suspeoding its tradi-tional weekly Thursday tender, and Instead, its State Trading Corporation would enter the

tion of the next two to three months.

The Oil World newsletter has projected that world palm oil production will rise by 7.5 per cent to almost 8.2m tonnes in 1987-88. Malaysia and Indonesia are expected to hava a combinad output of 6.33m tonnes (an increase of 8 per cent), or 77 per cent of world output.

output.
The Malaysian Palm Oll Registration and Licencing authority put preliminary estimates of Malaysian exports for 1987 at 4.2m tonnes of palm oil, 505,000 tonnes of palm kernel oil and 690,000 tonnes of palm kernel cake, worth 3.9bn ringgit

Alcoa in wrangle over Jamaican bauxite refinery

THE ALUMINUM Company or America this week reclaimed its bauxitic refinery in Central Jamaica, but it is locked in a legal wrangle with the Jamaican but it is locked in a legal wrangle with the state-owned company which has been operating the plant under lease for the past three years.

Mr Gerry Dudley, general manager of Alcoa Minerals of Jamaica, said that company had taken commercial control of the 800,000 tonnes a year refinery which it closed in February 1985, and that there had been no interruption in production.

But Mr Robert Stephens, general manager of Clarendon Alumbers of indication how long the refinery could be operated from the state-owned company which has been operated from the stockpile at current output of 750,000 tonnes per year.

Alcoa has started an action in the Jamaican courts to have its mining lease handed over. This followed an injunction filed by followed

bauxite production level, in which payments are pegged at six per cent of the market price of aluminium ingot sold in north america, western europe

Industry officials report also Industry officials report also that there are indications that the Jamaican Government has forward sold significant quantities of the output of the refinery. "If that is the case," said ooe industry analyst, "the Government will be denied access to the output of the alcoa plant to meet these forward commitments because the company has also taken commercial control of the facility. market as and when prices are agreeable.

WEEKLY **METALS**

All prices as supplied by Metal Bulletin (last week's prices in brackets).

1.00

10 mg

¢.,

ANTIMONY: European free market 99.6 per cent, \$ per tonne, in warehouse, 2,290-2,330 (2,290-2,330).

BISMUTH: European free market, min 99.99 per cent, \$ per lb, tonne lots in warehouse, 4.70-5.30 (4.45-4.65).

market, min 99.99 per cent, \$ per 76 lb flask, in warehouse, 305-315 (305-315). MOLYBDENUM: European

molibbenum: European free market, drummed molybdic oxide, \$ per lb Mo, in warehouse, 3.18-3.25 (3.20-3.30).

SELENIUM: European free market, min 99.5 per cent, \$ per lb, lo warehouse, 9.10-9.30 (same).

free market, standard min 65 per cent, \$ per tonne unit (10 kgs) WO2, cif. 49-58 (same). VANADIUM: European free

SOYABEANS 5,000 bu min; cents/60to bushel

53.50 54.15 55.37 55.60 54.60

Simon Clarke examines the problems facing the country's key export sector

DEEPENING concern about

availability of US supplies

availability of US sapplies has encouraged a sharp rise in peanut prices, writes Our Commodities Staff.

In the January 28 isane of ita Edible Nuts Market Report Gill & Duffus, the London trade house, reports that "in the past week alone" prices for IIS runner.

alone" prices for US runser 40/50 peannts, the premium

cent of total export earnings. With an undependable climate

and delivery.

It was peanut farmers who under Oncad (Organisation Nationale de Co-operation et d'Assistance), an organisation Producer prices averaged 48

esting grade, leapt \$100 to \$1,125 a tonne, cif Eorope.

US Department of Agricul-ture's January estimute

confirmed the aignificant redoction in crop expecta-tions reported in November. Its August eatimate of

2.07m tonnes was cut to 1.79m tonnes in November and remained at about that

fertiliser were made to the its agents. As the problems

The report abows that the

RICES

US MARKETS

Senegal struggles to repair damage to peanut industry level in January.
Glll & Duffus describes Comparable Chinese and Comparable Chinese and Argentine grudea bave atrengthened in aympathy, it notes, "but by no means to the same extent as US runners." Latest premiums for the US nnts, it says, have been about \$500 over Chinese Hsuji 40/50s and \$485 over Argentine runner 40/50s. Gill & Duffus describes the current mood of the peannt market as "chullent" but queatlons whether the recent strength is really Justified, "given the less than clear picture of the tonnage exportable from the 1987 crop in the United States," and the high level of world stocks.

these returns had become negli-gible; illegal trade reached a high point and the organisation ceased to be effective.

With an undependable climate and exposure to fluctuating records were poorly kept. It world prices that earning became common practice to fair capacity has suffered, falling as sify the amounts of these loans, low as 20 per cent of export with the difference going into value in 1984 and sending repercussions throughout the divert some of the crop to other economy.

Many of the problems found off as wastage between harvest today can be traced back to the long period of state control under Oncad (Organisation paid for urban prosperity in the early years of independence. Oncad's operations were transferred to other organisa-tions but the expected recovery in production failed to materialise. Drought affected the crops in 1980-81 and again in 1984-85. Combined with this was continued mistrust of offi-cial marketing channels and increasing avoidance of them.

d'Assistance), an organisation set up with a monopoly of peanut trading, but which grew to control transport, credit and input distribution to the farmers as well.

As the organisation's power increased the quality of its services deteriorated. In addition to enormous bureaucratic difficulties and overstaffing there Following the poor harvest of 1984-5 the Government opened 1984-5 the Government opened and intercropping for fertility, the market to private traders, but these alone will not solve retaining a majority sharehold—the problem.

Re-organisation and rationalisation are essential for the processing and marketing of peanut oil. The peanut oil factories are now operating at an average 20 per cont.

vate enterprise has not been wholly successful. Producer prices have increased from CFA prices have increased from CFA Francs 50 (10p) per kg to CFA F 90 (18p) per kg, but state subsidies of seed and fertiliser are being phased out. Sales of both are dropping and this could lead to the most serious problem yet as soil fertility declines in areas already threatened by descriptication. threatened by desertification. This year's anticipated crop of 850,000 tonnes is the highest since the 912,000 tonnes of 1932-83.

This ahift from state to pri-

One thing privatisation has failed to achieve is stability. The 1986 crop of 347,000 tomes was an improvement on 1986, but still lower than those produced between 1981 and

When the advantages of favourable rain are removed the Senegalese peanut industry struggles. Efforts are being made towards diversification

mon market organisation.
In a clear majority of cases the in Senegal and employ over 1m final judgement usually follows the opinion of the Advolows they provided more than 75 per cate General.

The period of first liser subsites and overstaffing there dies, the relation of the first land overstaffing there dies, the relation of the final judgement usually follows the opinion of the Advolows they provided more than 75 per land out to enormous bureaucratic difficals areas by way of fertiliser subsites and overstaffing there dies, the relation of the first land out to enormous bureaucratic difficals areas by way of fertiliser subsites and overstaffing there dies, the relation of the was common, and out the first land of the first land out the industry efficiently and it remains to be standing debts were deducted by Oncad before returns and closures may have to be findustry into shape.

Fallure to meet debt repaynot operate the industry efficiently and it remains to be standing debts were deducted by Oncad before returns and closures may have to be industry into shape.

Fallure to meet debt repaynot operate the industry efficiently and it remains to be standing debts were deducted by Oncad before returns and closures may have to be industry into shape.

Fallure to meet debt repaynet was common, and outstanding debts were deducted by Oncad before returns and closures may have to be industry into shape.

Fallure to meet debt repaynet was common, and outstanding debts were deducted by Oncad before returns and closures may have to be industry into shape.

CRUDE Of (Light) 42,000 US galls \$/barrol

Close Previous High/Low

4.70-5.30 (4.45-4.65). CADMIUM: European free market, min 99.95 per cent, \$ per lb, in warehouse, ingots 3.70-4.10 (3.12-3.20), sticks 3.70-4.10 (8.12-3.20). COBALT: European free market, 99.5 per cent, \$ per lb, in warehouse, 7.10-7.25 (7.15-7.35).

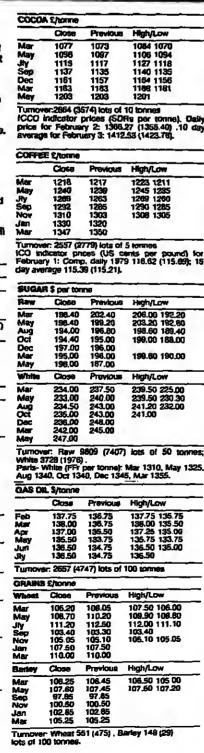
MERCURY: European free

TUNGSTEN ORE: European

LONDON MARKETS

COPPER PRICES rose in morning trading, with general short covering and reports of some Chinese buying interest fuelling the trend. However, they retreated in the afternoon on sporadic profit taking as New York prices ea and news arrived of an end to the strike at Peru'a Southern Peru Copper Corporation. At the close three-month metal was £5 down at £1,134.50 a tonne. The news from Peru also wiped out morning gains in lead prices, leaving prices slightly down. Meanwhile the Baltic Freight Index hit a record of 1,408.5, spurring turther rises in the Baltie International Freight Futures (Biffex) dry cargo contract. Levels eased on profit taking towards the close, but the three-month contract put on 23 points to close at 1,390. Sugar prices fell further in the afternoon, adding to

| Crude oil (per bernel FOB |) | + Qf - |
|---|------------------------|------------------|
| Dubal | \$15.55-5.60 | 5z +0.10 |
| Brent Blend | \$18.05-6.1 | 5 |
| W.T.I.(1 pm est) | \$18.98-7.0 | 32 +0.12 |
| Oil products (NWE promp | n delivery per | torine Ci |
| Premium Gasotine | \$158-160 | |
| Gas Oil (Soviet) Heavy Fuel Oil | \$136-138 \$70-72 | +1 |
| Naphtha | \$148-150 | |
| Petroleum Argus Estimate | | |
| Other | | + QT - |
| Gold (per troy oz)4 | \$456.25 662c | +4.75 +9 |
| Silver (per troy oz)# Platinum (per troy oz) | \$461.75 | +5.00 |
| Palladium (per troy oz) | \$118.00 | +2.25 |
| Aluminium (free market) Copper (US Producer) | \$1995 | +25 |
| Lead (US Producer) | 37.50c | -2.50 |
| Nickel (free market) | 365c 0 23875 | -13 -50 |
| Tin (European free market Tin (Kusta Lumpur merket | | -0.06 |
| Tin (New York) | 318.00c | -0.50 |
| Zinc (Euro, Prod. Price) Zinc (US Prime Western) | \$890 44,75c | |
| Cattle (live weight)† | 104.24p | +0.12* |
| Sheep (dead weight)† | 152.13p | +2.17° +0.62° |
| Pigs (Irve weight)† | 64.52p | |
| London daily sugar (raw) | \$234.00w \$237.40w | -16.00 -13.60 |
| London daily sugar (white) Tate and Lyle export price | | -10.50 |
| Barley (English feed) | £111.50w | |
| Marze (US No. 3 yellow) | £135.50 | -0.50 |
| Wheat (US Dark Northern) | £98.00u | +2,00 |
| Rubber (spot)♥ | 62.75p | -0,75 |
| Rubber (Mar) V | 67.25p | -0.75 |
| Rubber (Apr) V Rubber (KL RSS No 1 Mar | 67.25p 279.00m | -0.75 |
| Coconut oil (Philippines)6 | \$537.50x | -12.50 |
| Palm Qil (Malayalan)§ | \$425.00 | -20.00 |
| Copra (Philippines)& | \$380.00 | |
| Soyabeans (US) Cotton "A" index | £153.00 | |
| Wooltops (64s Super) | 526p | |
| E a tonne unless otherwise | Stated, 0-per | ce/kg. |
| C-Cents/&b. r-ninggit/kg, w-F | eb/Mar. v-Jar | ı/Feb. |
| z-Mar. u-Apr/May. x-Mar/A average fatstock prices. * c | D. I MOSE CO. | THINSSION |



| | | ₹ . | WOR | LD CO | MMOE | ITIES P |
|-------------------|---|-----------------------------------|----------|-----------------------------|-----------------------|------------------------------|
| LONDO | H METAL EXC | | | | | emaked Metal Trad |
| | Close | Previous | High/Low | AM Office | | |
| Cash | um, 99.7% purit 1970-90 | 1965-85 | | 1990-200 | | turnover 6,025 to |
| 9 month | | 1855-75 | 1870 | 1868-70 | 1870-90 | 2,950 lots |
| | um,89.5% purity | | | | Ring | turnover 22,050 to |
| Cash 3 month | 1116-8 to 1048-7 | 1124-8 1049-50 | 1124/112 | | 1054-5 | 47,925 lots |
| Copper, | Grade A (E per | tonre) | | | Ring | turnover 44,150 to |
| Cash | 1240-5 1134-5 | 1225-30 1139-40 | 1270/126 | | 1130-2 | 75.100 lots |
| 3 month Cooper | Standard (E pe | | 1180/112 | 1133-0 | | Pling turngver 0 to |
| Cash | 1198-208 | 1190-200 | | 1210-30 | | The state of the |
| 3 month | | 1130-40 | | 1105-25 | | 43 lots |
| | IS cents/fine ou | | | | | Ring turnover 0 |
| Cash 3 mionth | 658-61 6 669-72 | 654-7 665-8 | | 658-60 668-70 | | 695 lots |
| | per tonne) | | | | Ring | turnover 8,650 tor |
| Cash | 385-7 | 387-8 | 395/390 | 393-4 | 354-6 | 40.004 |
| 3 month | Sper tonne) | 335.5-6 | 359/354 | 355-9 | | 12,791 lots |
| Cash | 7980-800 | 7800-20 | 7980/767 | 7860-70 | CAN | |
| month | | 7630-40 | 7830/764 | | 7742-62 | 9,329 tots |
| Zinç (£ ; Cash | der torme) 483 5-93 | 497-8 | 493/489 | 491-2 | Ring | tumover 7,300 tor |
| 3 month | | . 501-5 | 500/492 | 496-7 | 492-3 | 12,837 lots |
| POTATO | emos(2 230 | | | LONDON BU | LLION MARK | ÉT |
| | Close Prev | ious High/Lov | v | Gold (fine or) | \$ price | Englaviupe 3 |
| Feb Mar | 95.60 98 84.1 84.50 84.1 | | | Close | 456-45619 | 258-258 % 258-4-259% |
| Apr May | 148.50 150. 165.40 167. | 50 150.00 1 | | Opening lik | 455-455 % 455.15 | 258.578 |
| Nov | 97.00 56.1 | 97.00 | 96.50 | Afternoon fix Day's rugh | 458-458 | 258.593 |
| Feb | 103.00 102.5 r: 430 (225) lots | | | Day's low | 45414-45414 | |
| | AN MEAL End | | | Cohra | \$ page | E equivalent |
| | Cicse Prev | | | US Eagle | 469-474 | 265-268 265-268 |
| Ap: | 128.00 129. | | 28.00 | Maptelea1 Sotannia | 469-474 469-474 | 265-268 265-268 |
| Jun Aug | 122.60 123.1 121.50 122.1 | 00 | | Krugerrand | 455-458 238-247 | 257-259 134'5-139'5 |
| Oec Dec | 122.50 123 125.00 125 | | | 1/4 Krug Angel | 118-126 468-473 | 254'>-257% |
| Feb | 127 00 127.0 | 00 | | 1/10 Angel | 47-52 | 2612-2912 |
| | r: 115 (60) lots o | | | New Sov. Old Sov. | 107'108'- 107!108- | 60'2-61'4 60'2-61'2 |
| PHEIGH | Close Prev | | | Noble Plat | 472-477'2 | 265-271 |
| Apr | 1525 O 1505 | | | | | |
| Jiy Oct | 1390.0 1367 1423.5 1405 | 0 1403.0 13 | 370.0 | Silver fix | p/fine oz | US cas squiv |
| BFI | 1408.5 1399 | | | Spot | 375.85 | \$61.50 |
| Turno | r. 546 (248) | | | 3 months | 384.20 392.90 | 872.75 684.40 |
| JUTE | . 5-0 (240) | ==== | | 12 months | 412.30 | 711.20 |
| Februa | ry/March c and | Oundee BTC \$ | 550. | LONDON MET | AL EXCHANGE | TRAPED DPTION |
| Antwer | 540, BTD \$475. p BTC \$525, BY | | 1 | Aluminium (99 | | Catts Puts |
| COTTO | 7 14 | | | Strike price \$ 1 | | ar May Mar Ma |
| Liverpo | ool - Spot and st nding January 2 | ripment sales for 9 amounted to 4 | r the | 1250 1950 | 17 | 33 115 35 120 5 76 78 179 |
| tonnes week | nding January 2 against 843 ton Fair trading pers | nes in the pravic | NUS WI | 2050 | 3 | |
| West A | Incan. Pakistani | | | Akuntakun (99 | | Calls Puts |
| growth | ٥. | | | 1750 1850 | | 89 165 7 86 08 115 26 135 |
| | | | - { | 1950 | 5 | 2 76 69 198 |
| | | | | | | |
| | | | | Copper (Grade 1850 | A) | Cale Puts 52 206 |

| | | | | | | CIOSO | PTEVIO | ≖ rugn/l | .CW | | | | | |
|---|--|---|---|---|------------|---|---|----------------------------------|------------------------------|--------------|----------------------------------|---|-----------------------------|-----------------|
| PRE | ECIOUS ! | WETALS | were ag | ain quiet | Mar | 16,93 | 16.82 | · 17.02 | 16.90 | - SOYA | BEANS 5.0 | 100 bu min; c | 20113/60th | של כ |
| and | dominat | ed by loca | al activit | y, reports | ADF | 16.84 | 16.73 | 16.92 | 18.81 | | Close | Previous | High/L | _ |
| Dre: | xel Bumit | am Lamb | pert. Go | ld closed | May | 16.75 | 16.85 | 18.83 | 16.74 | 24 | | | | _ |
| roug | ghty unch | anged as | local s | elling was | Jun | 12.66 | 18.55 | 16.73 | 16.60 | Mar | 597/0 | 608/2 | 608/0 | 5 |
| met | by light | commissi | on hous | e buying. | ,Just | 16.59 | 15.45 | 18.63 | 18.55 | Jul | 606/2 614/2 | 617/0 626/2 | 817/0 625/4 | 6 |
| CAK | de oli wa | s owiel wi | th trade | and local | Aug | 18.48 | 18.56 | 16.55 | 18.49 | Aug | 615/0 | 626/0 | 626/4 | 2 |
| | | er contrac | | | Sep | 18.40 | 16.27 | 16.40 | 16.40 | Sep | 818/0 | 626/0 | 623/4 | 6 |
| | | | | | Oct | 16.48 | 16.18 | 16.48 | 1248 | _ Nov | 621/4 | 633/4 | 632/4 | 6 |
| S-//a | deus. In a | ctive con | ו בחטטוט | copper | HEAT | NG OIL 42 | 2,000 US a | alls, cents/ | US galls | Jan | 629/8 | 641/0 | 637/0 | 6 |
| | | e the leve | | | | Close | Previou | | | - Mar | 637/4 | 646/0 | 0 | ō |
| | | | | selling and | | | | | | May | 64210 | 654/0 | 0 | Ō |
| | | on, befor | | | Mar | 46,95 | 46.32 | 47.30 | 46.55 | COVA | DY AND OR | CO 000 - | | |
| | | | | uger eased | Apr | 45.70 | 45.17 | 46.10 | 45.45 | 3017 | BEAN UIL | 60,000 lbs; (| HOTES/ID | |
| | | fund and | | | May | 44.60 | 44.15 43.76 | 45.00 44.40 | 44.50 | | Close | Previous | High/L | ow/ |
| sellin | ng, but he | eld chart | points o | n scale | Jun | 44.05 | 43.81 | 44.55 | 44.10 44.25 | Mar | 20.63 | 21.09 | 20.90 | _ |
| dow | n trade b | uving bef | ore pari | ing losses | Aug | 45.3D | 44.61 | 0 | 0 | May | 20.95 | 21.39 | 21.20 | 2 |
| | | Coffee fin | | | Sep | 45.75 | 45.18 | ŏ | ŏ | Jul | 21.15 | 21.90 | 21.40 | 2 |
| | | | | de selling. | Sep | 46.50 | 45.87 | 46.50 | 46.50 | Aug | 21.25 | 21.68 | 21.50 | 5 |
| l ive | cettle fut | tros chos | ad ptro | ngly as tha | | 10 | s:5/tonne | | | - Sep | 21.25 | 21.70 | 21.55 | ž |
| | | | | ticipation | | | 2012/CC 20 | <u> </u> | | Out | 21.30 | 21.70 | 21.58 | 2 2 |
| of o | dea in al | y positio | ine ili en | nucipation | | Close | Previou | e Hugh/L | OW | Dec | 21.40 | 21.85 | 21.69 | 2 |
| oi a | rise in pr | iysicai pri | Ces, a n | actor likely | Mar | 1754 | 1745 | 1773 | 1747 | - Jan | 21.45 | 21.85 | 21.50 | _2 |
| | | | | s census | May | 1785 | 1777 | 1808 | 1783 | SOYA | BEAN ME | AL 100 tons; | \$/100 | _ |
| теро | AT MUICU | 2 expect | ed to sh | ow a fall in | Jul | 1811 | 1900 | 1825 | 1809 | | | | | |
| | | Live hogs | | | Sep | 1841 | 1532 | 1850 | 1845 | | Close | Previous | High/Le | OW |
| resp | onse to s | harply hi | gher cas | sh prices | Dec | 1871 | 1863 | 1830 | 1870 | Mar | 175.1 | 179.2 | 179.7 | 1 |
| refle | cting incl | emsnl we | ather in | the | Mar | 1901 | 1693 | 0 | 0 | May | 175.3 | 178.7 | 179.0 | i |
| | | rk bellies | | | May | 1934 | 1925 | _0 | | Jul - | 176.5 | 179.6 | 180.0 | i |
| upsk | de to Ma | nday's la | I. The s | ovabean | COFFE | E "C" 37. | 5000s; ce | rits,70s | | - Aug | 176.0 | 161.0 | 180.5 | 1 |
| com | plex fell o | n profas | stonal at | nd | | Close | Previous | | | _ Sep Oct | 179 0 189.0 | 182.5 | 182.0 | 1 |
| | | ouse lone | | | | | | | | - Dec | 181 0 | 183.0 184.1 | 183.2 | 11 |
| | | | J | | Mar | 133.00 | 133.38 | 134.80 | 132 95 | 1\$n | 183.0 | 185.2 | 185.0 183.5 | 11 |
| | | | | | Mary | 135.72 | 135.10 | 137.30 | 135.70 | | | | | |
| Me | W Y |) TK | | | Jul Sep | 137.75 139.40 | 138 02 139.93 | 139.20 | 137.75 139 40 | MALCE | | min: cents/5 | artaura one | 4 |
| | | | | | Dec | 142.00 | 142.25 | 143.00 | 142.00 | | Close | Previous | High/Lo | 744 |
| COLD | 100 tray a | z : \$/troy a: | _ | | Mar | 143 50 | 143.25 | 144.50 | 144 50 | Mar | 198/2 | | | - |
| _ | Close | Previous | | nw | May | 145.50 | 144.50 | 0 | 0 | May | 203/6 | 197/8 203/6 | 198/4 | 15 |
| | | | | | STAGAR | WORLD | *11" 1120 | 00 lbs: cen | te /Der | - Jul | 206/6 | 206/6 | 204/2 207/0 | 20 |
| Feb | 453.6 | 454.1 | 457.5 | 453.7 458.2 | | | | | | Sep | 207/4 | 208/4 | 208/4 | 20 |
| Mar | 455.5 458.3 | 455 6 458.4 | 458.2 461.9 | 458.2 458.1 | | Close | Previous | High/Lo | W | Dec | 209/5 | 210/4 | 210/6 | 20 |
| Apr | 483.1 | 463.2 | 468.7 | 463.0 | Mer | 8.76 | 5.94 | a93 | 8.52 | - Mar | 216/6 | 217/4 | 217/0 | 21 |
| Aug | 468.1 | 468.2 | 471.0 | 469.0 | May | 6 77 | 6 91 | 6.90 | 0.50 | May | 221/0 | 221/4 | _0 | 0 |
| Oct | 473.4 | 473.5 | 476.5 | 474.0 | Jul | 8.60 | 8.80 | 8.70 | 8.30 | WHEA | T 5,000 bu | mm; cents/6 | Olb-Pares | ol . |
| Dec | 478.7 | 478.8 | 482.0 | 478.5 | Oct | 8.65 | 6 81 | 6 67 | 6.31 | | Close | | | |
| Feb | 484.3 | 484,4 | 487.5 | 486.S | Jan | 263 | 5.89 | 0 | 0 | | | Prévious | High/Lo | W |
| PLATE | NK U4 50 to | y oz: \$/tro | 102 | | Mar | 5.62 8.65 | 9.05 9.00 | 6.70 6.75 | 8.56 6.50 | Mar | 326/6 | 329/2 | 330/4 | 32 |
| | | | | | | | | 0.15 | 0.50 | May | 326/0 | 328/0 | 329/0 | 32 |
| | Cicse | Previous | High/L | | COTTO | N 50.000; | Cents/fbs | | | - Jul Səp | 315/2 318/2 | 316/4 | 318/4 | 31 |
| Feb | 458.5 | 457.9 | 0 | 0 | | Close | Previous | High/Lo | w | _ Dec | 328/4 | 316/4 330/0 | 321/0 | 31 |
| Apr | 461.5 | 460.5 | 465.0 | 463.0 | Mari | | | - 3 / | | - Mar | 331/4 | 333/0 | 331/4 | 32 |
| Jul | 466.5 | 465.6 | 470.5 | 467.5 | Mar May | 62.16 62.72 | 62.65 | 62.74 63.35 | 62.03 | | | | | |
| Oct | 472.5 | 471.7 | 477.0 463.0 | 473.0 482.0 | Jul | 63.10 | 63.20 | 63.75 | 62.60 63.00 | TIAE | |),000 lbs; cer | 15/109 | |
| Jan Lee | 479.0 486.0 | 478.2 485.2 | 0 | 0 | Oct | 62.35 | 62.75 | 62.80 | 62 30 | | Close | Previous | High/La | |
| Apr | | | | | Dec | 61 55 | £1.69 | 62.15 | S1 50 | Feb | 68.72 | | | _ |
| SELVE | R 5,000 tro | y oz: cente/ | TOY OZ. | | Mar | 62.55 | 62.95 | 63.15 | 63.05 | Apr | 69.96 | 66 62 | 68.87 | 80 |
| | Ciose | Previous | High/Lo | W. | May | 63.05 | 63.30 | 0 | 0 | Jun | 68 80 | 69.30 68.35 | 70.00 | 6 |
| | | | | 652,0 | ORANG | E JUICE 1 | 5,000 lbs: | cents/lbs | | - Aug | 68.05 | 65 62 | 68.75 66.15 | 5 |
| Feb | 561.7 656.5 | 657.0 661.0 | 659.0 | 653.0 | | Close | | | | Oct | 64 90 | 64.60 | 65.10 | 82 |
| Mar May | 655.5 664.0 | 589.5 | 676.0 | 551.5 | | | Previous | High/Lo | w | Dec | 65.45 | 65.30 | 65.75 | 65 |
| 7 ₁ ,d | 672-1 | 577.6 | 685.0 | 670 0 | Mar | 169.65 | 167.80 | 170.80 | 187 50 | LIVE H | OGS 30 00 | O lb; cents/R | | |
| Sep | 680.3 | 685.6 | 885.0 | 685.0 | May | 168.65 | 166 95 | 169 90 | 185.50 | | | | | _ |
| | 893.5 | 699.1 | 707.0 | 592.0 | Jul | 167.25 | 168 00 | 167.30 | 165.95 | | Clase | Previous | High/Lo | W |
| Dec | 697.4 | 703.0 | 0 | 0 | Sep Nov | 166.45 165.90 | 164 00 | 166.40 | 165 00 | Feb | 47 62 | 47.75 | 48 35 | 47 |
| Dec Jan | 707.1 | 712.7 | 717.0 | 705 0 | Jan | 162.90 | 163.75 151.25 | 165 90 162.90 | 164.25 162.25 | Apr | 44 72 | 44 80 | 45.50 | 44 |
| Dec | | 722.3 | <u> </u> | | Mar | 162.65 | 161.25 | 162.25 | 162.25 | Jul | 47.72 | 47.97 | 48.30 | 47 |
| Dec Jan Mar May | 718.7 | | s | | May | 162.65 | 161.25 | 0 | 0 | Aug | 47.60 45.25 | 47.62 | 48.15 | 47 |
| Dec Jan Mar May | 7167 | os; cents/fo | | | Jul | 162.55 | 181.25 | _0 | Ō | Oct | 46.25 42.20 | 46.20 42.30 | 48.90 | 48 |
| Dec Jan Var Vay | 718.7 28 25,000 a | | High/I n | W. | | | | | | Dec | 42.80 | 42.72 | 42.55 43.20 | 42 |
| Dec Jan Mar May COPPE | 718-7 2R 25,000 t Close | Previous | High/Lo | | INDICE | | | | | Feb | 42.25 | | | 42 42 |
| Dec Jan Mar May COPPE | 718.7 28 25,000 4 Close 98.50 | Previous 93.00 | 98.50 | 98.50 | INDICE | | Canada | - 40 -05: | | | | 42210 | 42.80 | |
| Dec lan Mar May COPPE | 718.7 28.25,000 to Close 98.50 91.35 | 93.00 90.00 | | | | RS (Base: | | 18 1931 | | | | 42.10 | 42.80 | |
| Dec lan Mar May DPPE Sb Mar Mpr | 718.7 28 25,000 a Close 98.50 91.35 87.10 | 93.00 93.00 93.00 95.75 | 98.50 93.50 0 64.50 | 98.50 90.90 0 82.50 | | | Septembe Jan 29 | 15 1931 · | | | ŒLLJES 38 | 3.000 lbs; cer | 42.80 nts/lb | |
| Dec lan Aar Aay XXPPE Bb Aar Apr Aay | 718.7 2R 25,000 8 Close 98.50 91.35 87.10 82.90 | 93.00 90.00 85.75 81.50 78.50 | 98.50 93.50 0 64.50 78.50 | 98.50 90.90 0 82.50 78.30 | | RS (Base: Feb 1 | Jan 29 | minth ago | yr ago | | | 3.000 lbs; cer Previous | nts/ib | _ |
| Dec lan Mar May 20PPE 8b Mar May May May May May May May May May May | 716.7 28.25,000 a Close 98.50 91.35 67.10 82.96 78.60 76.30 | 93.00 90.00 85.75 81.50 78.50 | 98.50 93.50 0 64.50 78.50 77.50 | 98.50 90.90 0 82.50 78.30 75.60 | REUTE | R8 (Base: Feb 1 1733.6 | Jan 29 1736.6 | mmth ago 17452 | yr ago 1593.3 | | ŒLLJES 38 | 9.000 lbs; cer Previous | nts/ib High/Lov | |
| Dec Jan Mar Mar May 20PPE Seb Jar Jar Jar Jar Jar Jar Jar Jar Jar Jar | 718.7 Close 98.50 91.35 67.10 82.90 78.60 75.10 | 93.00 90.00 85.75 81.50 76.50 74.30 73.20 | 98.50 93.50 0 64.50 78.50 77.50 77.00 | 98.50 90.90 0 82.50 78.30 75.60 74.20 | REUTE | R8 (Base: Feb 1 1733.6 | Jan 29 1736.6 | minth ago | yr ago 1593.3 | PORK S | Close 53 67 54.40 | Previous 53 17 | nts/fb High/Lov 54,35 | 53. |
| Dec lan Mar Mar May COPPE | 718.7 28 25,000 8 Close 98.50 91.35 67.10 82.90 78.60 75.10 75.00 | 93.00 93.00 93.00 85.75 81.50 76.50 74.30 73.20 73.20 | 98.50 93.50 0 64.50 78.50 77.50 77.00 | 98.50 90.90 0 82.50 78.30 75.60 74.20 | DOW J | Feb 1 1733.5 DNES (Sa: 128.99 | Jan 29 1736.6 se: Decem 130 70 | mmth ago 17452 | yr ago 1593.3 4 = 100) | PORK S | Ciose 53 67 54.40 55.65 | 9.000 lbs; cer Previous | High/Lov 54,35 55,20 | # 53. 54. |
| Dec Jan Mar May | 718.7 Close 98.50 91.35 67.10 82.90 78.60 75.10 | 93.00 90.00 85.75 81.50 76.50 74.30 73.20 | 98.50 93.50 0 64.50 78.50 77.50 77.00 | 98.50 90.90 0 82.50 78.30 75.60 74.20 | DOW J | RS (Base: Feb 1 1733.5 DNES (Sa: | Jan 29 1736.6 se: Decem | mmth ago 1745 2 ber 31 197 | yr ago 1593.3 | PORK S | Close 53 67 54.40 | 9.000 lbs; cer Previous 53 17 54.02 55.35 | nts/fb High/Lov 54,35 | 53. |

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earn 3 1023

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar finishes at day's low

THE DOLLAR closed around its lar, and showed small mixed lowest levels of the day in changes against other major Europe. Trading was quiet but currencies, as the market nervous as US economic news provided further evidence of a slowdown in economic growth,

and major US banks cut their prime lending rates by 4 p.c. to 8% p.c. There was also sign of doubt about the level of foreign demand at this week's US Trea-

sury refunding auctions.
Mr Rupert Thompson, US economist at Morgan Grenfell,

The dollar fell to DM1.6815 from DM1.6916; to FFr5.6750 from FFr5.7025; to SFr1.3720 from SFr1.3615; and to Y128.15 from Y129.35.

On Bank of England figures the dollar's index fell to 94.6

from 95.1.
STERLING - Trading range against the dollar in 1987/88 is 1.8785 to 1.4710. January average 1.8001. Exchange rate index rose 0.2 to 74.4, compared with 72.8 six months ago.
Sterling rose against the dol-

E IN NEW YORK

| Feb.2 | Latest | Close . |
|--|--|--|
| Spet I mouth I mouths 12 quetts | 1.7680-1.7690 0.32-0.28pm 0.93-0.88pm 3.55-3.45pm | 1.7570-1.7580 0.30-0.28pm 0.93-0.90pm 3.55-3.45pm |
| Forward premi dollar | ous and discounts | apply to the US |
| | | |

STERLING INDEX

| 1.00 pm 2.00 pm 3.00 pm 4.00 pm | | 74.2 74.2 74.2 74.3 74.4 | 74.0 74.3 74.2 74.3 74.2 |
|---|-------------------|--|--|
| CURRE | NCY R | ATES | |
| Feb.2 | Bank rate % | Special Drawlog Rights | Enropean Currency Unit: |
| Sterflug U.S Dollar Canadian \$ Austrian Sch. Belgtan Franc | 875 | 0.772563 1.35971 a/a 16.1452 47.9842 | 0.694814 1.22253 1.55994 1A.5297 43.1582 |

CURRENCY MOVEMENTS

OTHER CURRENCIES

MONEY MARKETS UK rates relaxed

after rate rise

INTEREST RATES fell slightly in London yesterday. Part of the decline was in reaction to a small reduction in US prime rates but also a reflection of a more settled feel after Monday's surprise increase in base rates.

Coming back to a high of 9 p.c. Later balances were bid at 8 p.c. however.

The Bank of England forecast a surplus of around \$300m, with factors affecting the marting the marting in the second part of the decline was in reaction to a small reduction in US prime rates but also a reflection of a surplus of around \$300m, with factors affecting the second part of th a surplus of around £300m, with factors affecting the market including repayment of late assistance and bills maturing in official hands together with a take up of Treasury bills draining £168m. These were more than offset by Exchequer transactions which added £350m and a fail in the note circulation of £45m.

Traders were now a lot more wary of comments by the aothorities but at the same time, saw only a small chance of another rise in the short term, unless UK equities con-

The relatively relaxed attitude adopted by most traders

UK clearing bank base lending rate 9 per cent

stemmed from a realisation that the authorities had been wanting to increase base rates from what they considered an uncomfortably low level, but had been anxious not to create any strain within the equity market, after last October's crash.

Three-month interbank money was quoted at 91%-81% p.c. compared with 91%-91% p.c. while the one year rate receded to 91%-91% p.c. from 91%-91% p.c. Overnight interbank money opened at 8%-8% p.c. and touched a low of 7 p.c. before

was in line with expectations. It compared with an increase of \$3.74bn in December, and indicated that Bank of England support for the dollar was much lower last month. It was also noted that the authorities

hit technical resistance shove DM1.59, and therefore traders decided to try to sell it. Apart absorbed the implications of from the funding programme.

Monday's surprise move by the
Bank of England to push up UK
bank base rates.

An underlying rise of \$38m in
UK official reserves in January

ment tender were as expected,
with no charte in the fixed rate.

With no charte in the fixed rate. ment tender were as expected, with no change in the fixed rate

of 3.25 p.c.
The dollar closed at DM1.6860, compared with DM1.6930 on Monday. The

Mr Rupert Thompson, US
economist at Morgan Grenfell,
said it is a spurious argument
that the US is moving into
recession because leading indicators have fallen for three
consecutive months, but this
has been suggested, after a
decline of 0.2 p.c. in December; and 0.1
p.c. in October.

Mr Thompson added that
leading indicators are a notoriously misleading guide to the
state of the economy, but coupled with a fall of 6.2 p.c. in
December US new home sales,
pointed to a slowdown to
growth.

The dollar fell to DMI.6815
from PIE9.35.
On Bank of England figures
the dollar's index fell to 94.6

Take that Bank of England
support for the dollar was support in the day when the dollar in
to keep it under DM3.00 in Janmuch lower last month. It was
also noted that the authorities
did not need to sell the pound
to keep it under DM3.00 in Janmuch lower last month. It was
also noted that the authorities
did not need to sell the pound
to keep it under DM3.00 in Janmary.

The pound gained 1.15 cents
to \$1.7695-1.7706. It also
\$1.7706. It also
\$2.787.
\$2.788 is 159.45 to 121.35.

Exchange rate index 240.4

against the dollar in
Tokyo, supported by institotional demand ahead of the US currency appeared
to be technically overbought on
Treasury anction programme. It
was suggested the dollar also

The D-Mark improved against
the dollar as the US currency appeared
to be technically overbought on
any marked upward movement.
At the same time exporters
were reported to be still keen
sellers of the dollar, which
closed at Y128.90, compared
with Y129.00 on Monday.

EMS EUROPEAN CURRENCY UNIT RATES

| | Ecu central cates | Corretcy annuals against Ecu Feb.2 | % change from central rate | % change adjusted for divergence | Divergence April % |
|------|-------------------------|---|-------------------------------------|--|-----------------------|
| ranc | 42.4582 | 43.1582 | 대요 | 2/2 | 21.5344 |
| | 7.85212 | 7.90180 | 대요 | 2/2 | 21.5404 |
| | 2.05853 | 2.04570 | 대요 | 2/3 | 21.0981 |
| | 6.90403 | 4.96717 | 대2 | 2/3 | 21.3674 |
| | 2.31943 | 2.31986 | 대2 | 2/3 | 21.5012 |
| | 0.769411 | 0.776505 | 대2 | 2/3 | 21.6684 |
| | 1483.58 | 1520.52 | 대2 | 2/2 | 24.0752 |

| | FORWARD | | |
|-----------|---------|---------|-----|
| Deule | | 7 % | 176 |

| February 2 | Day's spread | Clase | One mosth | 10 % | Three | % pa |
|--------------------------|--------------------------------|--------------------------------|--|----------------|--|---------------------|
| JS | 1.7560-1.7705 | 1.7695-1.1705 2.2540-2.2550 | 0.30-0.27cpm 0.07ds-0.03cm | 193 | 0.94-0.89pm 0.24-0.33pm | 200 |
| letterlands . | 2.2391-2.2555 3.331-3.35 | 3.34-3.35 | 25-lepon | 4.72 | 43 ₈ -37 ₈ 000 | 4.86 |
| leloluta | 61.95 62.53 | 62.15-62.25 | 21-4cpm | -0.79 | 53-31pm Page-3-dis | 2.70 0.26 |
| reland | 11.334-11.411- | 11.404-11.414 | 0.03-0.10cds | 0.70 | 0.13-0.01pm | 0.25 |
| W. Germany | 2964-298 | 2,97-2.98 | 15- loipe | 5.29 | 412-33-pm | 5.55 |
| ortugal | 241.94-244.34 201.09-201.82 | 243.32-244.34 | 95-150ctis 44-72ctis | -6.03 -3.45 | 286-387dis 240-188dis | 555 -552 -325 |
| taly | 2185-229312 | 2190-2191 | par-Stiredis | -1.37 | · 3-12ds | -L31 |
| torway | 11.251-11.31 | 11.30-11.31 | 33,-51-credis 11 ₂ -3-cred | 123 | 131 ₈ -141 ₆ dis 3-15 ₆₀ m | -4.95 -0.92 |
| weden | 10.641-10.691- | 10.04-10.05 | par-loredis | -0.56 | 3-13-65 | -0.33 |
| 2028 | 2264 2274 | 2264-2274 | 13e-Seypon | 4,96 | 31 ₀ -21 ₋₃ m | 4.90 |
| Anstria Sedtzerland . | 20.84-21.00 | 20.97-21.00 2.421-2.434 | 11-31-propm | 7.23 | 13-203-pm 41 ₂₋₃₇₋ pm | 6.90 |

INLLAR SPOT- FORWARD AGAINST THE DOLLAR

| February 2 | Bay's spread | Close | One month | % | Timee Impaths | Į |
|-------------|-----------------|---------------|-----------------|-------|------------------|----|
| UK† | 1.7560-1.7705 | 1.7645-1.7705 | 0.30-0.27cpm | 1.93 | 0.94-0.89pm | Ţ |
| trebudt | 1,5730-1,5809 | 1,5790-1,5800 | 0.18-0.13cpm | 118 | 0.61-0.51pm | ı |
| Canada | 1.2735-1.2766 | 1,2745-1,2795 | 0.18-0.21cds | -1.84 | 0.55-0.58dis | ŧ. |
| Methertands | 1,8960-1,9990 | 1.8885-1.8895 | 0.44-0.42cpm | 2.72 | 1.33-1.30pm | 1 |
| Belgins | 35.10-35.35 | 35.10-35.20 | 3dic per | -0.51 | 8-3pm | ı |
| Demark | | 644-6444 | 0.80-1.30oreds | -1.95 | 3.10-3.60dis | 1 |
| W. Sermany | | 1,6810-1,6820 | 0.49-0.46efpm | 3.37 | 2.50-2.45pm | 1 |
| Portugal | | 1374-1374 | 80-105mis | -8.05 | 240-390ds | ł |
| Spain | 113.47-114.55 | 113.90 114.00 | 45-60cd/s | -5.51 | 240-170ds | ١ |
| fraly | 12364-1245 | 12374-12374 | 270-3.70@reds | -3.09 | 10.00-12.00dk | ł |
| Norway | | 6.381-6.39 | 3.40-3.75eredis | -6.70 | 12.15-11.556s | 1 |
| France | 5.67-5.704 | 5677-3675 | 0.25-0.50mls | -0.79 | 1.50-1.806s | 1 |
| Sweden | 6.031-6.0612 | 6.033-6.044 | 1.15-1.35oredia | -2.48 | 3,65-3,9564 | ı |
| - | 128 10-129 00 | 726 10-128 20 | 0.32-0.28yper | 2.80 | D.92-0.88pm | ı |
| | 17 85111 861 | 71 85L17 86 | 2.50-1.50gram | 2.02 | 7.50-5.50pm | 1 |
| | 13715-13000 | 1.3715-1.3725 | 0.62-0.57cpm | 5.18 | 1.72-1.67pm | i |

EURO-CURRENCY INTEREST RATES

| Fee 2 | Short Verm | 7 Days notice | (Inc Marth | Three Months | Shr Months | Vese Vese |
|---|------------------------------|-------------------------|-----------------------------------|-------------------------|-------------------------|--------------------------------------|
| Sterflag US Dollar Can, Dollar | 512-514 614-614 83-814 | 81-81 61-61 21-81 | 11 ST | 91-9 67-61 81-81 | 7-67 88-83 | 71-77 71-77 64-85 |
| O. Gailder Sw. Franc Destactions t Fr. Franc | 新 菜 | 21.31 | 1 | 11.13 | 22-24 31-31 81-81 | 22 22 31 31 30 81 ₂ |
| B. Fr. (Fbi) | 174-94 64-64 | 61-61- | 101-10 63-64 63-64 63-63 | 63-64 63-64 63-63 | 63-63 | |
| D. Kryre Asion SSing | 85-85 61-65 | 64-64 | 67-64 | 68-68 68-68 | 7-67 | 74-71 |

| Feb 2 | £ | \$ | DNI | Yes | F Fr. | S Fr. | HFL | Lira | C \$ | B Fr |
|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|----------------|----------------|----------------|--------------|
| £ | 0.565 | 1 770 | 2,975 1,681 | 224.8 128.1 | 10.05 5.478 | 2.428 1.372 | 3.345 2.890 | 2191 1238 | 2.255 1.274 | 62.2 35.1 |
| DM | 0.336 4,409 | 0.595 7.804 | 13.12 | 74.24 1000. | 3.378 44.31 | 0.50.6 10.71 | 1.124 14.75 | 736.5 9660 | 0.758 | 20.9 274 |
| F Fr. S Fr. | 0.995 0.412 | 1.761 | 2.960 1.225 | 225.7 93.41 | 10. | 2.476 | 3.328 1.378 | 2280 902.4 | 2.244 0.929 | 61.8 25.6 |
| H FL | 0.456 | 0.529 | 0,889 | 47.80 103.5 | 3.004 4.587 | 0.735 1.108 | 1,527 | 455.0 1000. | 0.574 1.029 | 183 283 |
| | | | | | 445 | 3.00 | 3 402 | em 4 | | 71.5 |

C S 0.443 0.785 1.319 100.6 4.457 1.077 1.483 771.6 1 27.50 PFr. 1.608 2.846 4.783 344.6 14.16 3.904 5.378 3523 3.625 100.

and a lail in the note circulation of £45m.

The foretast was revised to a surplus of around £200m and there was no intervention by the Bank during the morning. In the afternoon the Bank took, out most of the surplus by selling £205m of Treasury bills at the strength on Feb.

elsewhere. However dealers saw any desire for a redoction as being premature. Interest

FT LONDON INTERBANK FIXING 6 months US Dollars

MONEY RATES NEW YORK

| Prime tale | 800 5 | hree month Six mosth One year Fare year | | 5.89 Five 3 6.38 Seven 6.64 10-ye 7.22 30-ye | year | 80 82 83 |
|--|--|--|--|---|--------------------------------------|--------------------|
| February 2 | Övernight | (îne Month | Two Months | Caree Months | Six Months | Locaba Interves |
| Frankfurt Paris Zurich Aungterdem Tokyo Malian Brussels Dublin | 315-325 24-74 15-1 3-5125 9-114 0-20 81-54 | 315-325 71-71 11-13- 31-4 37-6 37-6 105-111 ₄ 64-62 82-82 | 3.25-3.35 74-72 ———————————————————————————————————— | 3253.40 71-73 11-7 4-40 1306.5 109-111 53-63 83-83 | 3303.45 8.87, 57-9 | 4.50 7.50 |

LONDON MONEY RATES

| Fe2 | Ownight | 7 days notice | One Mosth | Tiete Months | €325 E325 | Orae Year |
|---|----------------|------------------|-------------------|--|--------------------------|--------------|
| Insertant Offer | 9 7 | 61 ₄ | 88 61 | 5 | qr. | 97 |
| Sterling COs. | n ₂ | 82 | 56. 57. 59. | 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1 | PRATE | 80 6 6 B 60 |
| Local Authority Boots Discount Mic Deps | go, | 5 | • | | | 1 |
| Finance Hause Deposits. Treasury Sills (Eug) | 852 | 7 | . 9 82 | 95 | 2 | 25 |
| Fine Trace Bills (Bay) | : | - 1 | 弹 | 7.00-6.95 | 27 <u>1</u> 7.15-7.30 | 7.60-7.55 |
| Dollar CD; | 1 | } = | 6.9C-6.25 | 2 | 64e 57 | ₩ |
| ECU Linked Dep Offer ECU Linked Cop Bid | : | l <u> </u> | 65g | AN S. S | 65 | 64 64 |

FINANCIAL FUTURES

Gilt prices recover

struggled to find a solid base as day. Part of the rise was attribunday's surprise increase in utable to a turn round in US but bond prices, following a cut in a quarter point reduction in US prime rates.

Three-month sterling deposits finished with small gains, hav-ing spent most of the day fluctuating in 12 tick range, trying to establish a trend. Softer cash rates settled the issue at the close, with the March price closing at 90.80, up from 90.72 at the start and Monday's close.

Gilt prices were marked down initially, touching a low of 119-12 for March delivery

Japan. March US Treasury boods LONDON SE E/\$ DPTIE C12,500 (casts per C1)

Apr 0.61 1.63 3.50 6.36 10.09 14.46 Feb 0.00 0.06 0.85 3.80 8.42 13.40 18.40 LIFFE LANG BILT FUTURES BYTIOKS

LIFFE US TREASURY BOND FUTURES OPTIO

93-27 92-28 92-00 91-06 90-14 89-24 89-24 88-17 87-31 87-31 87-31

DEUTSCHE MARK (IMI DK125,000 \$ per DM

prime rates. Sentiment remained reasonably bullish in

this sector as traders awaited the results of yesterday's

three-year note auction.

Much of the demand was
expected to centre on domestic

institutions while today's 10-year offering and tomorrow's 30-year were expected to show

participation, especially from

SWISS FRANC (IMM) SFr 125,000 \$ per SFr

MAKE

MONEY

RWARD

7-10 YEAR 9% NOTIGICAL GILT 250,000 32-4: of 100%

Estimated Volume 505(465) Previous day's open int, 638(678) THREE MONTH STERLIN

90.68 90.51 90.40 90.27

Est. Vol. (Inc. Figs. not shown) 7504(12086) Previous day's open int. 31023(32175)

Estimated Volume 1059(1624) Previous step's open int. 8265(8172)

High 94-14

CURRENCY FUTURES

POUND-S (FOREIGN EXCHANGE) 1-mile 3-mile 6-mile 12-mile 1.7671 1.7608 1.7517 1.7355 SERVICES 1.7540 1.7450 SURY

a fresh sale and repurchase facility at an unchanged and fixed rate of 3.26 p.c. There had been some hopes of a cut in the rate, given the fall in rates will focus on the amount allo-cated, in relation to a maturing facility which will drain

Although not a key pointer in

its own right, one analyst suggested that of the last two

recessions, a turn down in eco-

1.75 4.10 7.10 8.90 12.90

nomic activity has been pre ceded by a sharp decline in housing starts. This could pos-sibly provide food for thought.

opened at 94-02 and touched a low of 93-19 before recovering to a high at the close of 94-14, compared with 94-19 on Mon-Fixed Income and Equities Trading for dealing prices call:

Westdeutsche Landesbank, Head Office, P.O. 80x 1128 4000 Düsseldorf 1, International Bond Trading and Sales: Telephone (211) 8 28 3122/8 26 37 41. Telex 8 581881/8581882

US leading economic indica-tors showed a 0.2 p.c. decline in December after a revised decline in November of 1.2 p.c. This was the first time that the Westdeutsche Landesbank, 41, Moorgate, London EC2R 6AE/UK Telephone (1) 638 6141, Telex 887 984

Road, Hong Kong, Telephone (5) 8 42 02 88, Telex 75142 HX

iodex had declined for three straight months since 1984. At the same time construction of Luxembourg WestLB International S.A., 32-34, boulevard Grande-Duchesse single family homes fell by 6.2 p.c in December after a revised Charlotte, Luxembourg, Telephone (352) 44741-43, Telex 1678 Westdeutsche Landesbank, 8A Tower, 36th Floor, 12 Harcourt 2.4 p.c. decline in November.

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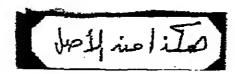
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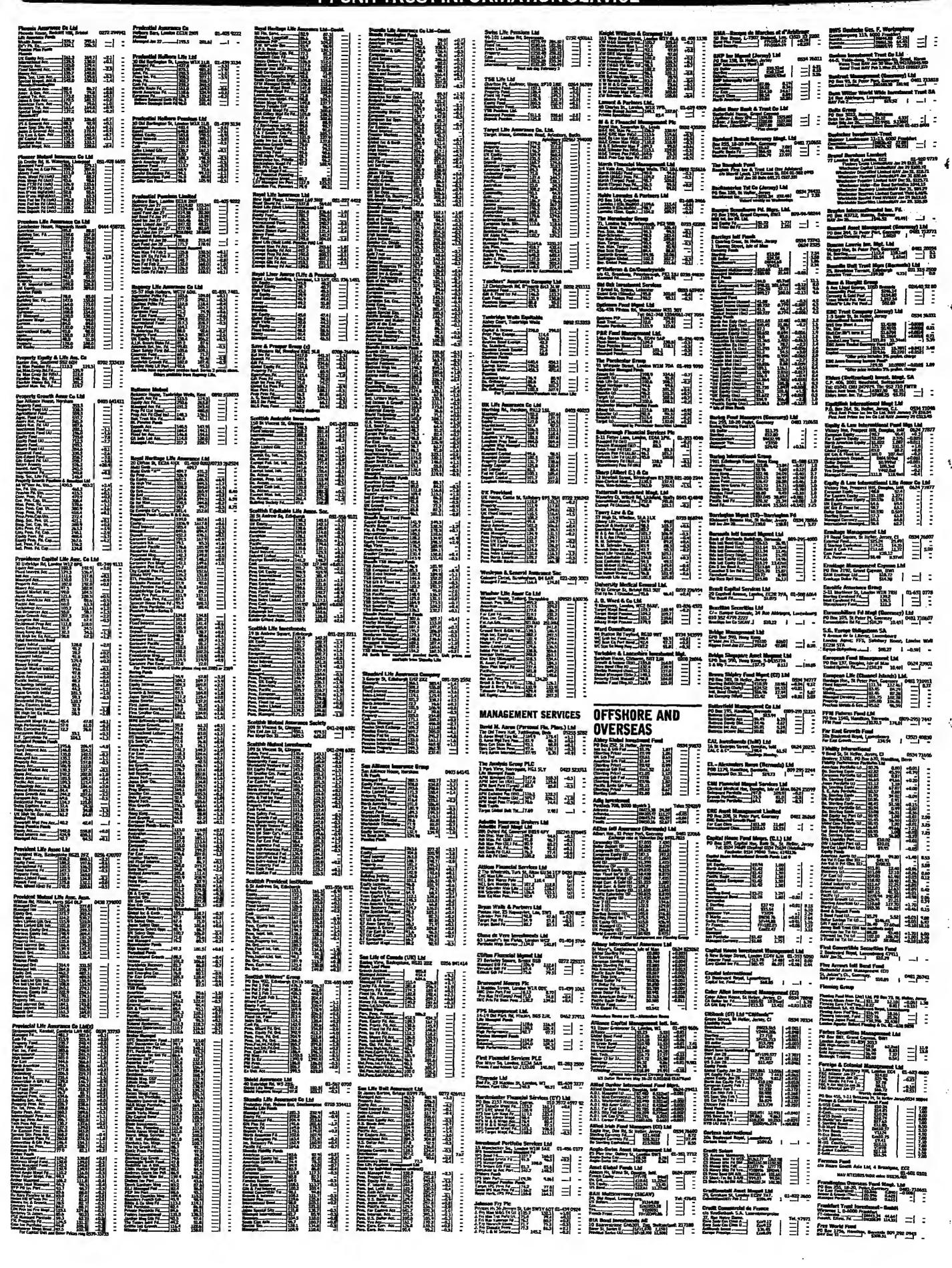


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LONDON SHARE SERVICE

FOREIGN BONDS & RAILS

AMERICANS

(2) (2)

BRITISH FUNDS BRITISH FUNDS - Contd Undated 45 376 Consols 40c 41.1 34 War Law 31-press 52.1 46 Jacoms 31-press 34.2 29 Tress 31c 46 At. 29.2 Tress 31c 46 At. 29.2 24 25 Consols 21-pc 29.2 24 25 Consols 21-pc 9.00 9.14 6.77 9.24 9.25 9.37 9.37 9.37 9.35 9.35 9.35 9.35 9.35 Index-Linked 1344 1252 rem 2pc 88 (297.1) 1342 1194 1066 0a 2pc 90(333.9) 11870 +4 11810 1066 0a 2pc 90(333.9) 11870 +4 11810 1194 1066 0a 2pc 9222 ft 655.81 1006 +5 11810 1194 0a 2pc 922 ft 655.81 1006 +5 11810 1194 0a 2pc 92 ft 655.81 1006 +5 128.70 +5 128.70 1194 0a 2pc 92 ft 655.81 1006 +5 128.70 +5 128.70 1194 1194 0a 2pc 92 ft 655.81 1006 +5 128.70 1194 1194 0a 2pc 94 107.81 107.8 +6 128.70 1194 1194 0a 2pc 94 105.81 7. 1006 +6 128.70 1194 1194 0a 2pc 94 105.81 7. 105.81 105.81 105.20 105.20 105.31 105.81 105.20 105.20 105.31 105.81 105.20 105.20 105.31 105.81 105.20 10 Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in purentheses show RPI base month for indicating, is 8 months prior to issue, RPI for May 1987-101.9 and for December 1987: 103.3

(rebased at 100 January 1987 conversion factor 3.945).

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112.5 **CORPORATION LOANS** 1094 | 1038/ratingham 13-ps. 1989. | 1951-2 119 1100 | Do. 111-pc. 2012. | 1073 955 | 521-561. 6 Apr. 1990-92. | 91-si 1321 | 1151. eet. 13-pc. 2006. | 120 35 | Z2 | Liverpool 3-pc. irred. | 30 96 | 85 | Ltt. 6-hr. 78-90. | 91-si 31- 21 | Do. 3pc. 20 Art. | 25-si 115 1031-38tanchester 111-pc. 2007. | 104

12.80 10.03 10.45 10.58 +1 1.25 10.78 11.25 10.29 11.67 -12.60 -11.00 10.00 **COMMONWEALTH & AFRICAN LOANS** LOANS

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| 1946 | Treas 1042 2003 - 03. | 2285-4
| 96-1 | Treas 1042 2003 - 03. | 2285-4
| 105-1 | Treas 1042 2004 - 04. | 114-1
| 96-2 | Treas 10-2 2004 - 10-5-8
| 91-1 | Treas 10-1 2004 - 10-5-8
| 91-1 | Treas 10-1 2004 - 10-5-8
| 115 | Treas 10-1 2005 - 05. | 10-1
| 115 | Treas 10-1 2005 - 05. | 10-5-8
| 116 | Treas 10-1 2005 - 05. | 10-5-8
| 116 | Treas 10-1 2005 - 05. | 10-5-8
| 108-2 | Treas 110-2 2005 - 05. | 10-5-8
| 108-2 | Treas 110-2 2005 - 05. | 10-5-8
| 108-2 | Treas 110-2 2005 - 05. | 10-5-8
| 108-2 | Treas 10-2 2005 - 05. | 10-5-8
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11.16 11.65 8.09 10.15 11.48 10.54 7.92 7.33 9.16 9.% 9.15 7.75 | Warhard | Investment | Manageme | Ltd.-Contol. | Wermay | Mantel | Front Ltd | Et | Manageme | 2012 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82 | 11.82

Therefor Management Ltd.

33 Cavendrif Stone, Lordon WM 7HF, 01-493 8545

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Continued on next page

A CONTROL OF THE CONT

| AMERICANS - Contd BUILDING TIMBER DOLLD | LONDON SHARE SERVICE | Financial Times Wednesday February 3 1988 |
|--|--|--|
| 1967/68 Shock 160 | INGINEEKING - Contri | INDUSTRIALS (Miscel.) - Contd INDUSTRIALS (Miscel.) - Contd. |
| 272 24 Stationesis Ref 51. 272 - 1 10 20 - 1 15 17 1 1 20 20 20 20 20 20 20 20 20 20 20 20 20 | 201 | 1987/108 Steck Price P |
| ## CANADIANS 697 227 227 228 286 | | OR 27 |
| Strong S | ### ELECTRICALS ### 22 Ash Decirons 346 251 34 34 34 34 34 34 34 3 | 23 115 Hilland (1) 104 125 137 2.01 (8) 14.04 233 11.75 HPCT Gp 104 133 3.65 18 3.200 m 255 11.05 18 3. |
| BANKS, HP & LEASING CHEMICALS, PLASTICS | 139 99 Davis Checi 10p | Std 277 British Win |
| 200 201 202 203 204 205 | 215 88 FElectron House 10p 140 +3 13.6 1.5 14 26.4 323 73 Recircle (Leics.) 351 - 2 1.0 2.0 4 2.0 323 73 Recircle (Leics.) 351 - 2 1.0 4 2.0 4 2.0 323 73 Recircle (Leics.) 351 - 2 1.0 4 2.0 4 2.0 323 73 Recircle (Leics.) 351 - 2 1.0 4 2.0 4 | 165 16. 8.4pc Cm Cr PL 285 77 285 3.4 11.3 11.3 11.5 |
| 222 Hambros 28p 245 34 34 35 36 36 36 36 36 36 36 | 78 100 #Gother Warren. 128 | 109 #Ca. of Designers Sp. 111 +1 R.O. 22 3.7 13.5 388 170 Sale Tillacy 229 -1 4.0 2.3 4.8 12.2 12.0 |
| 273 Ryspat Bt. of Social and St. of Social and S | 1 | 86 Doret Groep 10p. 268 132 18 18 100 Stay Ferniture. 118 118 15 204 17 18 19 19 18 19 18 19 18 19 18 19 18 19 18 19 18 19 18 19 18 19 18 19 19 |
| 10 10 10 10 10 10 10 10 | 100 Filips 50 265 122 4.8 13.5 271 185 Carbony Scheepes 278 -1 14.7 21.3 14.3 173 52.5 129 129 129 129 120 | Control Cont |
| 206 133 Bestley's Browney 168 | Section 6.1 | Company Comp |
| 29 237 Whithead W 296 -2 rt. 3 11 13 13 13 14 14 15 14 17 17 17 17 18 18 19 18 19 19 18 19 19 | 73 Guest Gross 10s 11 -2 00.255 -1.2 -376 80 Membrand 11 10s 288 +2 11 9.0 0.9 173 280 182 183 183 183 183 183 183 183 183 183 183 | Seven (E.) & Part 5p Series (E.) & Part 5p S |
| ## SUIL DING, TIMBER, ROADS ## 150 205 Augus Sec Houses ID, 106 129 Abbry 205 Augus Sec Houses ID, 107 August March Houses ID, 108 Araciffe ID, 117 August March Houses ID, 108 Araciffe ID, 117 August March Houses ID, 118 August March Houses ID, 119 August March House ID, 119 August March House ID, 119 August March House ID, 110 August March March March ID, 110 August March March March March ID, 110 August March | Communication 10 10 10 10 10 10 10 1 | Do. Com Red Pri. 325 186 187 187 188 189 189 180 180 180 180 180 |
| 310 116 Fatherian Heading 5- 225 +5 14.8 3.9 24 12.6 232 56 Stanley (A. C.) 5a 167 -1 153.25 24 2.7 21.1 | The rest Scientific 163 43 1325 342 71 183 22 44 122 397 113 397 114 42 23 118 149 149 125 342 118 127 128 128 148 127 128 | 1 |
| | -7 -1 -1 243 67% habbupares 100 165 143.5 4.6 1.2 23.6 *340118 kep Gr | 10 20 43 3.4 7.2 119 50 Miner High 700 447 -1 40.4 12 13.6 13.6 12 12 12 12 12 12 12 12 12 12 12 12 12 |

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noteworthy movements. Bul-

company announced a major restructuring and proposed rights issue which involves Mr. Phillip Kaye, a director of Bel-haven, and parties associated,

taking a major stake in the com-

Leading Properties, unsettled on Monday by the base rate increase, traded on a steadier note yesterday with prices marking time in thin trading conditions. Elsewhere, Peachey, currently bidding for Estates Property Investment,

Its lowest level since well before Christmas. The absence

of any significant developments on the takeover front and a scarcity of bid speculation in the sector – recently alive with takeover stories both actual and rumoured – saw share

prices drifting easier for the

most part.

BP fully-paid were a shade
off at 258p on a turnover of
6.4m shares while the part-

ly-paid were a penny down at 77p after 3m shares moved

through the system.
Traded option business remained at a relatively low ebb with the total number of

Traditional Options

For rate indications see end of

London Shore Service

Dealers reported a reasonably brisk trade in the Traditional option market. Money was given for the call of Camford,

Theme Boldings, Norfolk Capital, Polly Peck, GRA, Dee Corporation, Smiths Indus-

tries, Hardanger, Amstrad, Securiguard, Lonrho, Charter-hull, GKN, Johnson and Firth

Brown and ICI. No puts were

• First dealings Feb 1
• Last dealings Feb 12
• Last declarations May 5

Dealings Jan 22 Peb 5

CONTRASTING TRENDS in foreign and domestic interest rates helped yesterday to subdue a UK stock market still winded by the announcement of higher loan charges by British banks. The moves to lower prime rates across the Atlantic, although across the Atlante, attrough not unexpected, sent British Government bonds higher. But equities sbandoned a mid-morn-ing rally to drift down in thin trading against the backcloth of a firmer pound and a lower start on Wall Street.

The share market had an erratic session but was again very lightly traded. Leading stocks opened lower but then rellied, encouraged both by slightly lower rates in the London money markets and by a calm trend in the pound.

There was little buying power there was little buying power behind the improvement, how-ever, and gains faded shead of Wall Street's opening. When New York opened on the downtack despite quarter point cuts In bank prime rates, led by J.P. Morgan, the UK market gave up

The FT-SE 100 Index closed 2.5 points down at 1774.2, on a Sesq shares total of only 353.2m, which indicated a return to the trading doldrums of recent weeks. At mid-morn-ing, the FT-SE reached 1784.5, but few traders expect to see the 1800 mark challenged again this week. Amanda Sells, char-tist at Chase Manhattan, commented that there was "some support" at last night's closing

Some institutional buying was seen, and market analysis were more sharply divided than ususl into "real bulls" and "real bears". The Bank's move to impose higher base rates just as the FT-SE index topped 1800 on Monday is regarded as fortu-itous, and related to recent wage trends rather than to the stock market. Many analysts were heartened when the stock market advanced in good turnover last Thursday, despite unimpressive UK trade figures

for December.
However, with turnover at in oil stocks reduced as BP apparently moves to complete its acquisition of Britoil, there was little substance to the market. Bank shares responded to a warning against excessive debt provisions. Higher interest rates proved no cause for

worry among building shares. Government bonds closed firmly, with the longer dates up ahead to close 13 higher at by around a led by the futures 222p after the 225p a share markets. UK bonds, torn cash counter offer for the

EQUITY GROUPS

& SUB-SECTIONS

stocks per section

Mechanical Engineering (57)..... Metals and Metal Forming (7)...

Other Industrial Materials (24) ______ CONSUMER 6KOUP (184) _____ drewers and Distillers (21) _____

51 06 & Gas 1151

Shipping and Transport (11), Telephone Networks (2), Miscellaneous (27),

Insurance (Composite) (7) Insurance (Brokers! (B) Merchant Banks (11)

Other Financial (30).

Investment Trusts (B6). Mining Finance (2)..... Overseas Traders (8)....

British G

5 years ..

5 years ...

Over 5 years.

8 All stocks....

2 5-15 years...

Over 15 years

FIXED INTEREST

122.84 +0.03

115.84

139.82 +0.14 139.62

149.64 +0.49 149.12

165.68 +0.06 165.58

136.60 +0.16 136.61

125.10 +0.09 124.99

116.43 +0.42 115.94

117.97 -0.94 119.08

-0.50

+0.46 115.31

86.95

Mon Feb

122.80

xd adi. today

0.21

0.03

Food Manufacturing (23)
Food Retailing (16)
Health and Household Products (10).

Figures in parentheses show num

CAPITAL 60005 (209) ...

Electricals [12).

Motors 113)..

their cue from the US bond With the US long-dated bond firm in Tokyo and in London in anticipation of prime rate cuts, British bonds steadied after a dull start. Dealers reported some very modest retail sup-port at the initially lower levels, but the main impetus to prices came later when the New York bond market opened

York bond market opened sharply better.
At the close, long-dated issues looked firm, with the 13½ per cent Treasury '04-08 % higher at 193%. This sector expects to remain free —temporarily —from the issue of a new tap. Shorter dates were also better. Index-linked stocks were drawn higher by the conventional sec-tor, and the index-linked 21/2 per cent '13 closed % up at 871.

However, if most traders and analysts took their cue from the lower rates in the US, and in ready to point to domestic pres-

sures. Mr Tim Congdon, of Shearson Lehman Securities in London, hardened his stance on UK rates in the wake of the Bank's move. Pointing out that UK base rates are "still below the base rates are "still below the average for the past three years," despite growth in the economy, money supply and credit, he warns that, "there will have to be some further increase in base rates" if these

Lloyds Bank were outstandngly strong in a generally firm clearing banks sector after advice from Mr. Robin Leigh —Pemberton, Governor of the Bank of England, for the UK Bank of England, for the UK banks not to go too far in making provisions against third world debts. The Governor's statement was interpreted by dealers and analysts as being bullish for the sector as a whole nhead of the preliminary results season which kicks off on February 23 with figures from NatWest.

Lloyds, regarded as having the widest expusure to LDC debts, moved up to 263p before settling a net 11 higher at 259p on a turnover of 5.6m shares, Lloyds were also boosted by switching deals and continuing talk of a possible stake-build-ing exercise and/or cash injec-tion into the company. Bar-clays added 4 at 489p and NatWest a like amount to 602p.But Standard Chartered, which has substantial LDC debts, failed to progress and closed 5 off at 530p.

Wigfalls, the Sheffield-based electrical goods retailer, surged

FT - ACTUARIES INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Tuesday February 2 1988

+0.2 +0.4 -0.1 -0.6

+0.5 +1.1 +0.1 +0.5 +0.1 -0.2 -0.3 +0.5 -0.7 +0.2

+0.3 +8.9 +0.5 -6.1 +0.1 -0.8 -1.2 -0.1 +0.7 +0.1

+0.1 9.37 -1.0 9.42

-0.1 9.38

19.55

12.34

5.10 9.75

10.80

-0.1 -0.2 +1.0 -2.5 -1.1 +0.3 -0.6 +0.1 -0.5

-0.2 +0.3

-0.1 -

2054.04 1486.88 390.00 444.70 277.95

277.95 1242.64 1044.63 987.86 855.41 2080.33 1002.62 1211.05 500.63

3503.21 842.10 582.67 673.23 1100.75 1046.64 1157.97

661.91 677.24 985.10 512.05 962.86 348.75 1022.56 389.37

9.72 9.92 9.07 9.07 10.87

9.58 9.68 10.91 8.39 8.49 11.22 8.94 7.67 6.51 7.60 8.54 6.53 9.06 11.25 9.06 11.25 9.06 11.25 9.06

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4.71 14.28
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3.77 14.47
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4.24 11.83
2.21 19.32
4.47 12.58
4.58 11.24
4.42 14.55
4.51 11.60
4.04 9.26
3.81 13.46
5.58 13.69

4.08 13.40

6.76

24.64 12.94

4.76 5.80 4.67 5.38 6.37 4.09 3.00 4.35

3.01 4.06 5.24

416

Medium Coupons

Index-Linked Inflation rate 5% Inflation rate 5%

| Day's | Day's | Day's | Feb | Jan | Jan | Change | High | Low | 1 | 29 | 28 | -2.5 | 1784.5 | 1772.8 | 1776.9 | 1790.8 | 1783.9 |

5 years. 15 years. 23 years. 5 years. 15 years. 25 years.

5yr: Over 5 yr: 5 yr: Over 5 yr:

5 years..... 15 years..... 25 years.....

Bonds higher on US prime rate cuts but

equities dip in thin trade

| | Feb. | Feb. | Jan. | Jue | Test. | Year | 1987/88 | | Since Compilation | |
|---|--------|--------|---------|---------|--------|---------|--------------|-------------------|-------------------|-------------------|
| | 2 | 1 | 29 | 28 | 27 | Ago | High | Lim | High | LOW |
| Government Secs | 89,35 | 89,17 | 89,72 | 89.72 | 89.21 | 85.31 | 93.32 | 83.73 | 127.4 | 49.18 |
| Fixed Litterest | 95,69 | 95.38 | 95,36 | 95.38 | 95.21 | 92.29 | 99.12 | 90.23 (2/1/67) | 105.4 | 50.53 (3/1/75) |
| Ordinary 🕈 | 1420.1 | 1423.1 | 1435.7 | 1430,0 | 1415.6 | 1458.5 | 1926.2 | 1232.0 | 1926.2 | 49.4 |
| Gold Mines | 257.3 | 252.8 | 261.5 | 267.0 | 268.2 | 309.7 | 497.5 | 261.6 | 734,7 | 43.5 |
| Ord. Div.Yield | 4.39 | 4.38 | 434 | 4.57 | 4.41 | 3.57 | S.E ACTIVITY | | | |
| Earnings Yld. %(fall) | 11.09 | 11.06 | 10,98 | 11.04 | 11,14 | 9.10 | - tr | ntices | Feb.1 | Jan 29 |
| P/E Ratio (net)(*) , | 11.02 | 11.06 | 11.14 | 11.07 | 10.98 | 13,47 | | Bargains | | 177.9 |
| SEAQ Burgaus (5pm) | 24,230 | 27,907 | 26,287 | 25,073 | 22,053 | 38,730 | Equity Burg | ains | 252.3 | 175.9 |
| Equity Turnover (Son) | | 966.26 | 1140,28 | 1428.57 | 871.21 | 1484.45 | | * | | 2304.B |
| Equity Bargains | - | 38,935 | 27,152 | 25,461 | 22,518 | 50,710 | | argains | | 168.3 |
| Shares Traded (cal) | - 1 | 381.5 | 437.7 | 565.3 | 349.4 | 497.6 | Ednith Raid | | 2186.2 | 162.8 2089.5 |
| ♥ Opening 10 a.m. 11 a.m. 12 p.m. 1 p.m. 2 p.m. 3 p.m. 4 p.m. 1420.0 1425.9 1426.6 1427.1 1425.4 1425.1 1422.8 1420.6 | | | | | | | | | | |

Backs 100 Govil. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Miles 12/9/55, 5 & Activity 1974, * MIE:10.92.

LONDON REPORT AND LATEST SHARE INDEX: TEL. D1-0898 123001

with dealers apparently happy with the terms of the bid. Grand Metropolitan, the UK hotels and leisure group, which has formally announced that it intends to accept Seagram's increased offer for its holding in Martell, the French cognac group, closed 3 dearer at 457p.

The company put 700 of its

tenanted pubs up for sale by tender in an operation expected to raise between £120m and £150m. The pubs are being offered in three main areas. ondon and East Anglia, the Midlands and the South. Major regional brewers such as Wol-verhampton and Dudley are lik-ley to be interested in the Midland sites, while Buckleys, the Welsh brewery which is seeking to expand both its brewery and leisure interests, may be keen

on pubs for sale in the South.

Marketmakers reported a
heavy demand for Avis Europe
which moved ahead strongly to inevitably the advance gave rise to a revival of British Airways takeover talk but Avis are believed to be a current

Fri Jan 29

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The Jan 28

Year ago (approx

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favourite with a number of Investment houses Merchant bank issues came under persistent, albeit generbetween domestic and interna- group from high street major ally modest, selling pressure tional factors, decided to take Dixons, valuing Wigfalls at with dealers citing growing ner-

£16m. A share exchange offer vousness about the continuing for Wigfalls by Bennett and low level of activity in stock Fountain, valuing the former at markets. Kleinwort Bensou, mround £14.6m, was made last scheduled to announce preliminary results in March, settled 8 month.

nary results in match, active of state 334p and Morgan Grena turnover of over 4m shares fell, with interims due in

March, eased 4 to 280p. Union Discount put on more to 833p ahead of the full-year figures expected today. are to be allowed to broaden the scope of their interests in financial services, including offering motor and life insurance to customers, Legal and General were particularly nffected and dipped 13% to 274p, while Abbey Life lost 9 to 256p and Pearl 5 to 443p. Recent bid favourite London

and Manchester retreated 7 to

Composite insurances provided a feature in Guardian Royal Exchange which fell sharply to close 18 off at 864p after a switch recommendation into Royals; the latter were only a shade off at 412p, despite the market's belief that the group faces total claims of between \$100m and \$125m from last October's hurricane in Southern England. Brokers included a lone firm spot In Sedgwick where bid speculation triggered support which boosted the shares to 223p before a close of 218p - a net

Window ventilation specialists Titon staged a highly successful debut in the Unlisted AMERICANS [1] Image Storage/Revs. Syst.

Securities Market; the shares,

placed at 80p via brokers Capel Cure Myers, opened at 90p and settled at 87p.

The majority of Brewery shares were inclined a shade easier after a slow trading ses-

Business in the Building sector was very much of a routine nature. BPB Industries attracted support and rose 10 to 278p as BZW, the London securities house, recommended clients to exist.

LONDON TRADED OPTIONS

NEW HIGHS AND LOWS FOR 1987/88 NEW HIGHS (5).
AMERICANS (1) Premark Int., CANADIANS
(2) Darbus Rea., Tam Pure Tach., BUILD-INGS (1) Glibs & Dandy, SHIPPING (1)
Fishor(J).

clients to switch into the stock at the expense of Redland; the latter shed 7 to 418p. BZW at the expense of Redland; the latter shed 7 to 418p. BZW were also reportedly keen buyers of Meyer international traded. British Telecom, still which year 7 250 minutes to the saw 2.3m shares ers of Meyer International which rose 7 to 362p, while a turnover of around 6m shares which rose 7 to 362p, while a helped by switching out of turnover of around 6m shares Cable and Wireless, edged up saw Magnet, the current take-over favourite, gain 15 to 238p. notable weak spot in the second

sion. Elsewhere, Merrydown rose 20 to 380p on buying in an more to 8339 ahead of the ful-year figures expected today.

Life assurances were upset by news that building societies are to be allowed to broaden

Take 20 to 38090 abying in an analysis of analysis of an analysis of analysis of an analysis of ther to 388p for a two-day gain of 28.

marginally lower at 433p and Rugby gave up 3 at 235p. Else-

Engineers closed with several

CANADAMS (1) Grages Expin., ELECTRI-CALS (3) ITL int, Yech., Nersk Data 'A', Process Systems, RIDUSTRIALE (1) Magna-card, LEISURE (1) Prism Leisura, PAPERS (1) Moss Triss, PROPERTY (3) Merin Int, Props., Shieto, Do S.Asp.CM., "ESTRES 11) Covidors, MiNEE (9) Cors, Modyshi, Kin-ress, Laburon, Harmon, Loratone, Estimet.

noteworthy movements. Ballongh were outstanding at 475p. up 30, in response to favourable comment on the prellminary figures. Glynwed, a current Kleinwort Grievson buy recommendation, were supported and put on 9 to 455p, while Telfos, regarded as a possible beneficiary from the Eurotunnel project, met with a revival of buying interest and trained of to 1910 Birmid Ones. Its conditions. Elsewhere, conditions for estates Property Investment, attracted good support and rose of 39 at 110p as Walter Runciman purchased 1,417,000 shares at 105p. This brings the identity of the property investment, attracted good support and rose of 39 at 110p as Walter Runciman purchased 1,417,000 shares at 105p. This brings the identity of the property investment, attracted good support and rose of 39 at 110p as Walter Runciman purchased 1,417,000 shares at 105p. This brings the identity of the property investment, attracted good support and rose of 39 at 110p as Walter Runciman purchased 1,417,000 shares at 105p. This brings the identity of 30 at 110p as Walter Runciman purchased 1,417,000 shares at 105p. This brings the identity of 30 at 110p as Walter Runciman purchased 1,417,000 shares at 105p. This brings the identity of 30 at 110p as Walter Runciman purchased 1,417,000 shares at 105p. This brings the identity of 30 at 110p as Walter Runciman purchased 1,417,000 shares at 105p. This brings the identity of 30 at 110p as Walter Runciman purchased 1,417,000 shares at 105p. This brings the i where, BTP added a penny to 143p following disposal news, but Howard Holdings disposal news, but Howard Holdings disposed 6 to 63p, the interim figures deemed slightly disappointing. Ibstoek Johnsen attracted mother liveley business and closed 3 dearer at 178p, while Fairbriar moved up 7 to 237p in a restricted market.

ICI settled % off at \$10% reflecting Wali Street influences, while Laporte drifted off to close 6 cheaper at 396p. Wentworth international, polythene bag manufacturers possible beneficiary from the Eurotunnel project, met with a revival of baying interest and gained 9 to 131p. Birmid Qualcast edged up a couple of pence to 369p as Blue Circle announced that it had increased its holding to 31 per cent.

The Food sector highlighted The Food sector highlighted Callens Holdings, grocery and wines retailer: the shares bounded ahead 26 to 37p as the

polythene bag manufacturers gained 7 to 56p on the announcement that Falcon Reinsurance, a subsidiary of Intercapital Group SA, had acquired a 20.47 per cent stake in company.

The major retailers put up a

pany.
Interest remained at a low level in the major international stocks, Beecham enjoyed a livelier trade than most (some 2.4m good performance according to dealers who said there was a reasonably healthy underlying demand for the stores issues. stocks. Beecham enjoyed a live-lier trade than most (some 2.4m shares changed hands) before settling a couple of pence lower on the day at 465p. Warburg accounted for 10.750 contracts. Securities, the investment house, are currently suggesting at 2,644, while BT registered that Beecham could produce better than average growth in attracted 1,421 calls and 1,235 But the main feature in the sector was Sears which dropped 4½ to 125p on a turnover of 9.3m shares as the market got wind of a profits downgrading by Warburg Securities, one of the leading UK securities houses. There were also suggestions in the market that Corp Scrimgour Vickers is about better than average growth in attraction the medium term in view of its low rating in the pharmaceutical sector. BOC, scheduled to reveal first quarter figures next Monday, firmed 5 to 393p; analysts forecasts range around Solm preserve. corp Scrimgour Vickers is about to lower its profits forecast for Storehouse although the lat-ter's sbares managed a 4 gain at 260p. Laura Ashley, where UBS Phillips and Drew have cut Solm pre-tax
English China Clays rose 5 to 388p amid talk that the com-pany may return with a fresh offer for Bryant Holdings. United Newspapers

profits estimates for this year from \$25m to \$22.5m, dipped 4 to 118p. GUS "A," shares which go "ex-dividend next Monday —were persistently bought throughout the session attracted buyers initially and rose to 447p before drifting back to close unaltered on balance at 442p. In a review of the company, kleinwort Grievson Securities concludes that the

ments in the leaders were generally on a modest scale. GEC, where 7.8m shares changed hands, were a fraction off at group is one of the most attrac-tive publishing investments available and should be accu-mulated sggressively. Maxwell Communication became a qui-eter market but occasional supsaw Magnet, the current takeover favourite, gain 15 to 238p.
Persistent buying, mainly from
one source, helped Tarmac
ndded a couple of pence to
although up from 25.5m to
25. but Blue Circle closed
Sc. 35m failed to match the

TRADING VOLUME IN MAJOR STOCKS

port took the share price fur-ther ahead to close 4 better at were arranged in Czbie and 258p. Wireless and Geo. Wimpey.

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RISES AND FALLS YESTERDAY

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LONDON RECENT ISSUES EQUITIES

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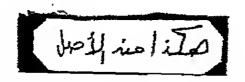
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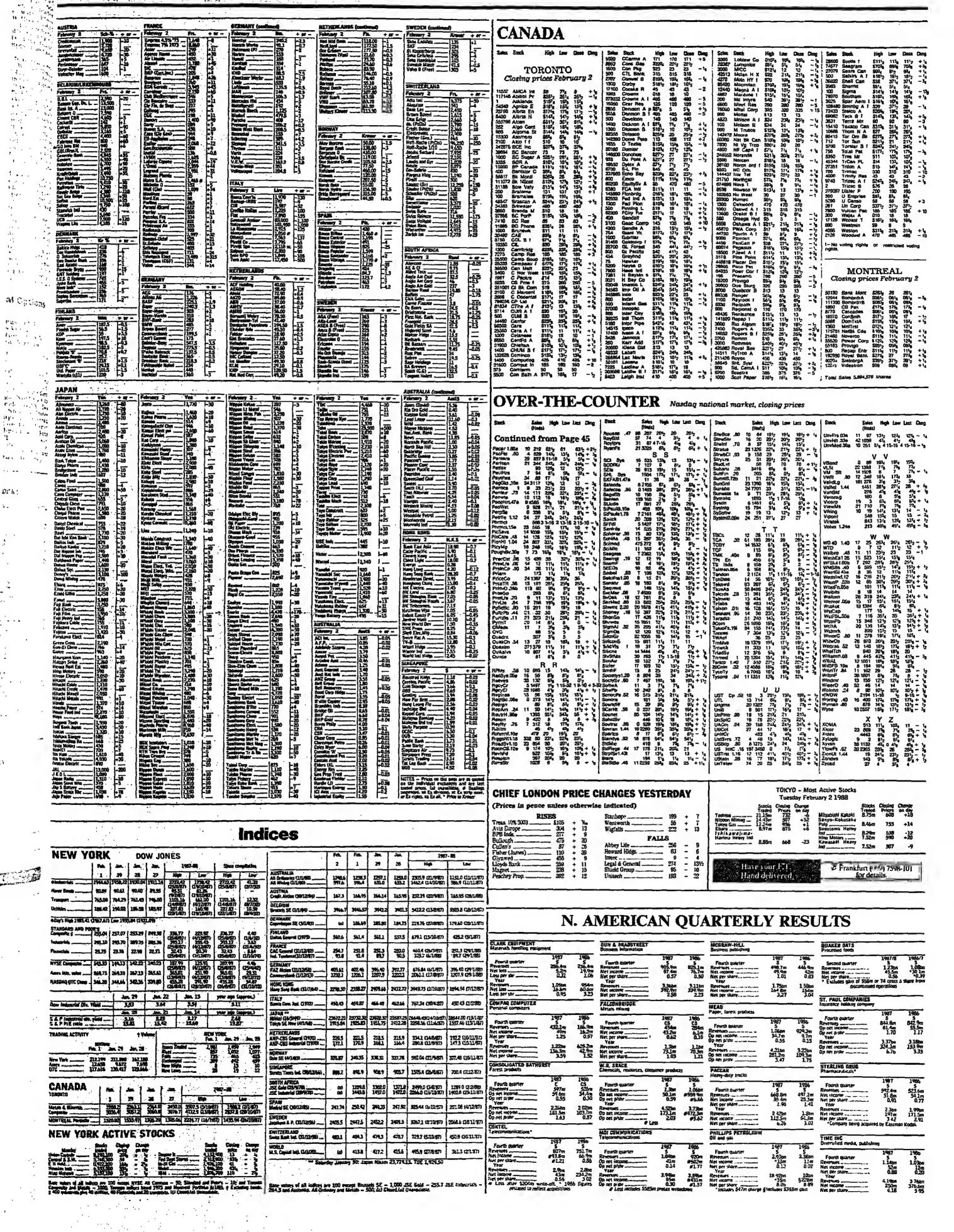
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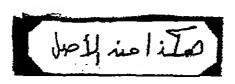
WORLD STOCK MARKETS



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NYSE COMPOSITE CLOSING PRICES

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AMERICA

Lethargic Dow finds little cheer in prime rate cut

Wall Street

A CUT in US banks' prime rate A CUT in US banks' prime rate ny next Friday's employment and a successful conclusion to report. However, unemployment is expected to show no bond auction failed to shake change from December's 5.3 per Wall Street out of its lethargy, cent. But any rise in joblessness corties Anatole Kaletsky in New could send atrong signals of

The Dow Jones Industrial stock markets in sharply oppoat 1952.91 after drifting in negative territory for most of the
day and falling one point in the
morning as far as 23 points
below the previous night's co-heads of the investment
co-heads of the investment
below the previous night's haoking busioess abruptly
close. Trading volume was light
with only 165m shares changing hands.

With jovestment banking

market opened.

But the quarter point cut in prime rates from 8.75 to 8.5 per cent was seized on initially as a long fashion apparel manufacselling signal by bearish trad-ers, partly on disappointment that the cut had not been bigger and partly because of the feel-ing that the banks' action, which was led by Morgan Guaranty, had already been fully discounted in market interest

An early fall in index futures nois, dropped \$\% to \$9\%.

Also oo the hid front, Foster wheeler, said it had agreed to talk with Mr Asher Edelman, the corporate raider who has in Chicago set off some sell pro-grammes during the first hour of trading, and this contributed talk with Mr Asher Edelman, to the fairly sharp early the corporate raider who has decline. In addition some traders were troubled by the weakmonths, and saw its shares rise ening of the dollar following by \$4 to \$144.

the prime cut. After lunch, however, equires took heart when it became \$1% to \$34%, after announcing was responding positively to the lower prime rate. As the Treasury long bond extends Treasury long bond exteoded its recent rally and rose steadily throughout the morning, the stock market followed and managed to wipe out its earlier losses, rising as high as

1,965 at one point. The benchmark Treasury 8% per cent 30-year bond rose 112 by the late afternoon, to stand at \$106 exactly, a price at which it yielded 8.32 percent.

The first day of the auction, in which the Treasury was doe to sell \$9.26bn of three-year notes, was generally deemed to have been a success, with Japa-nese participation said to have been at a helathy level.

However, most traders regard the market ahead. the oext two days of the anc. The composite the oext two days of the anotion, when medium and long-term maturities will be on the block, as far more crucial. With little corporate news to advances by 468 to 362 on moditated on, attention in the stock market was already chiffing shares. market was already shifting shares. beyond the Tressury suctions

trade figures, which are due out next Friday, February 12.

The fear is that a deficit sharply higher than the \$13.2bn announced for November could undermine the bond market gains which has been helping to sustain stock prices. The hope is that any evidence of the deficit stabilising would unleash a strong rally in both stocks and bonds.

Corona gained 4 to 37%, Echo Bay advanced 4 to 23% and veloped a new magnetic head oveloped a new magnetic hea

could be given some direction hy next Friday's employment

ork.

The Dow Jones Industrial stock markets in sharply oppo-

with only 100m snares changing hands.
Advancing issues outnumbered decliners by 846 to 667.
There was little or no reaction in the stock market to the 0.2 per cent decline in the index of leading indicators which the stock price fell \$1% to \$24% on leading indicators which the commerce Department the day was 2 \$16 a share tenanounced before the equity approached commend.

ing fashion apparel manufac-turer which holds US licences for well-known brand names like Yves St Laurent, Perry Ellis and Liberty, saw its stock shoot up by \$5 to \$17%. Salant, another garmeot company, which plans to finance the bid with credit arranged by Drexel Burnham and Continental Illi-

Among companies reporting

with 44 cents a year earlier.

Earnings at Kemper, the Chicago insurance and fund management firm, fell by 34 per cent to 77 cents in the fourth duarter. Its shares dropped \$4 to \$234. Great Northern Nakogas revealed a 50 per cent Nekoosa revealed a 50 per cent jump in quarterly earnings to \$1.04 a share, but its etock price fell \$1/4.

Canada

SHARE PRICES in Toronto recovered earlier losses to close higher in mixed trading as advances by golds, base metal issues and indostrials polled

ayond the Tressury auctions Among golds, international focus on the December US Corona gained 4 to 37%, Echo

SOUTH AFRICA

A MILD recovery in the bullion price vied with a vacillating financial rand to leave Johan-nesburg shares mixed to firmer

after a confusing session.

Interest in gold shares ehbed and flowed as the financial rand, used hy foreign investors in the South African market, started lower, picked up, then eased again to end at 35% US

Among the golds, Vaal Reefs added R2 to R271 after falling SA Br to R263.50, Southvaal gained R16.50 R4.50 to R119. Beatrix was 50 R7.20.

Ceots ahead at R13.50 and Kloof put on R1.50 to R31.

The mining financials saw a 50-cent gain to R46 for Anglo American and Gencor also put oo 50 cents to R42.50.

In the rest of the mining sector. In rest of the Rivers

In the rest of the mining sector, Impala Platinum gained R1.25 to R21.75 while De Beers was up 50 cents at R24.50.

Industrials were oeglected and tended lower, with Barlow Rand down 15 cents at R19.85, SA Breweries off 40 cents at R16.50 and Sasol steady at R7.20.

Bob King reports on the impact of a smooth handover of power

Taiwan stocks cast fear aside

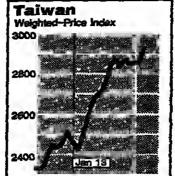
TAIWAN'S stock exchange yesterday cootinued an almost unbroken string of rises that began oo January 14 - the day after the death of populist President Chiang Ching-kuo had sent the mar-ket plunging.

The weighted index yester-day climbed 72.14 points to 2,932.9, with every sector gaining by the government-set ceiling of three per cent.

Mr Daniel Chang, chief dealer at International Investment Trust Co Ltd (IIT), Taiwan's first mutual fund, described the continued opward movement as natural, given the depressed state of the market during the last three months of last year and the resulting bargains that most shares represented for investors.

But Mr Chang, like many other Taiwan market watch-ers, said the smooth transition of power to President Chiang's successor Mr Lee Teog-hui – as well as the absence of turmoil many Tai-wanese had feared would accompany Mr Chiang's death – helped to fuel bullish senti-

Mr Chiang and his auto-cratic father, Generalissimo Chiang Kal-shek, had ruled Taiwan since 1949, the year that the elder Chiang's Nationalist Government fled to this island after its defeat nese civil war. The lack of a



clear-cut, strong successor to the younger Mr Chiang had many citizens worried that unrest, or even an attack by China, might follow his death. Immediately after-wards, the index plunged 61.77, or 2.5 per cent.

January

1988

Bot as Mr Chang of IIT put it: "The bad news happened, and people figured no worse news could come." Indeed, many analysts had expected that turnover on the market would fall to almost nothing for several days fellowing the announcement of Mr Chlang's death. The riss, however, began after only one day. Trading volume nearly dou-bled to Taiwan \$7bn and continues high.

The invisible hand was operating. People were taking the relatively cheap stocks and expecting higher gains," he said.

Financial shares have provided many of those gains. Indeed, financials, especially those of the three major commercial banks, account for around 38 per cent of the weighted index. When they rise, they tend to pull the rest of the market with them.

The banks' share prices now average about Taiwan \$230 each, compared with T\$400 before last October's correction, and retained earnings plus new capital injections from the market have reduced their price-earnings ratios, making their shares Financial shares have pro-

ratios, making their shares more attractive to the public. The big question being asked by foreign investors is when the market will be opened to more direct participatico by ootsiders. The answer is clearly: oot for

Despite liberalisation and revisions of the securities exchange law, Taiwan's planners feel more needs to be done before foreigners will be allowed much more than indirect investment through four rect investment through four

mutual funds.

Mr Shen Pei-ling, Taiwan's
SEC commissioner, told the
Financial Times yesterday the
oumber of listed stocks would
first have to increase between first have to increase beyond the current 130-odd, and much more would have to be done to improve the infra-structure and regulation of the securities industry.

ASIA

Thin trading sees Nikkei succumb to profit-taking

Equities turned lower for the first time in five sessions on the

Osaka Securities Exchange,

Australia

A SPATE of bargain-hunting followed Monday's sherp falls in the gold sector, wiping out early jitters and giving a mild

a further 20 cents to A\$7.30. In industrials, FAI ended 10 cents ahead at A\$5 after

announcing a 75.5 per cent rise in interim net profits.

turnover of 87m shares.

Tokyo

PROFTT-TAKING gathered pace in Tokyo yesterday as Wall Street's overnight decline and an absence of factors to encour-

an absence of factors to encourage buying tipped the Nikkei average lower for the first time in five sessions, writes Shigeo Nishiwaki of Fift Press.

The Nikkei ended 60.11 lower at 23,672.21 on a volume of 496m shares, down from Monday's 638m. Declines outnumbered advances by 493 to 392, with 159 issues unchanged. some 4.3 per ceot on three-month certificates of deposit. with 159 issues unchanged. The market was lackdustre as with the OSE steck average sliding 126.11 to 23,883.47 on

institutional investors awaited news of the US quarterly refunding operations starting later in the day. Major stocks in the high-tech

Among speculative stocks,
Nippon Mining was actively
traded and surged Y32 to Y507
oo news the company oo news the company had developed a new magnetic head for video cassette recorders

Initial bearishness and a fur-ther alip in the bullion price during the session left golds mixed after the 112-poiot plunge in the gold index on Monday.

Western Mining added 8 cents to A\$4.53 and led the active stocks with 3.64m eheres

Y1,030.
Toshiba remained at the top of the active list with 21.15m sbares traded, reflectlog demand for 1-megabit dynamic random access memory (D-Rsm) chips. But it gave up Y6 to Y732 in profit-taking.
Large-capitals were sluggish. Isbikawajima-Harims Heavy Industries lost Y23 to Y668 and Kawasaki Heavy Industries Y9 to Y307. Mitspi Toatsu Chemicals, however, firmed Y4 to Y688 on light buying by investment trusts and companies. In the high-tech sector, NEC posted a modest rise of Y10 to Y2,000, Matsoshita Electric Industrial eased Y50 to Y2,220 cents ahead at A\$5 after announcing a 76.5 per cent rise in interim net profits.

Singapore

EXTENDING the previous day's decline, share prices closed quively lower over a broad front as industrial index lost 3.79 to 888.20.

News that Singapore would he dropped from the list of countries whose exports are favoured under the US Government's Generalised Scheme of Preferences continued to weigh on the market hut the self-off

Y1,230. Nippon Telegraph and Telephone (NTT) improved Y10,000 to Y2.31m.

Hong Kong

was more orderly and restrained than the previous

Bonds slipped as caution set in after recent sharp gains. The dropped 50 cents to \$\$6, DBS Bank shed 25 to \$\$9.65 and Sinyield on the 5.0 per cent gov-ernment bond due in December gapore Press was down 10 cents at \$57,20. 1997 rose to 4.180 per cent against Monday's close of 4.130 per cent, but it was still much lower than the issue rate of

UTILITIES and properties pointed the way lower as share prices dropped in very thin trading. The Hang Seng index fell 59.77 to 2,298.50 as buyers avoided the trading floor.

day's disappointing showing on Wall Street spoiled fragile con-UK BONDS moved up in line with the US bond market yesterday following the fidence, prompting cautious investors to take profits in gen-American prime rate cuts.
Equities, on the other hand,
were subdued in quiet London trading following Monday's rise in UK bank base ersily quiet trading.
FRANKFURT ended mixed after late buying in a thin market pulled stocks off earlier lows. Uncertainty over the dollar's near-term prospects trig-gered profit-taking and kept

EUROPE

Still fragile confidence

What gains there were in gered profit-taking and kept investors sidelined.

The Commerzbank index rose 6.0 to 1,232.1 and the FAZ closing index added 1.15 to 403.61.

Cars were dented hy the weaker dollar and heavy profit-taking after the previous day's gains. EMW lost DM5 to DM485, Daimler Benz gave up DM3.50 to DM547.50 and Porsche fell DM12 to DM408.

Siemens, which amonunced a leading shares evaporated in the run-up to Wall Street's lower opening and the FF-SE 100 index closed 2.5 lower at 1,774.2.
Bonds closed with longer dated issues up by about % of a point, led by the futures markets.

Benedetti's public offer for a Benedetti's public offer for a further 15 per cent in Société Générale de Belgique.

With the focus on Société Générale, the market was little moved by s 0.10 percentage point cut in Treasury bill rates to 6.25 per cent, the fifth cut in just over a month.

Low turnover in Réserve Low turnover in Reserve

its, eased DM3.50 to DM341.50.
Banks were narrowly mixed.
Bonds eased and the Bundesbank bought DM66.5m after
selling DM154.3m on Monday.
ZURICH slipped quietly
lower as the tentative two-day lower as the tentative two-day upturn petered out after the dollar eased. The Crédit Suisse index ehed 2.1 to 415.8, reflecting geoerally modest falls, although selected bloe chips firmed.

Among industrials, Brown Boveri rose SFr5 to SFr1,615 while Georg Fischer lost SFr20 to SFr665 on profit-taking after the previous day's rise on depressed activity elsewhere although the share rose BFr50 to BFr3,340. In other holdings, Sofina added BFr25 to BFr10,500, bot GBL dipped BFr30 to BFr2,520. Banks and chemicals ended

narrowly mixed.

PARIS climbed in active trading, boosted by signs that long-term US interest rates may decline. The CAC index the previous day's rise on higher 1987 sales figures. BRUSSELS moved higher in advanced 2.9 to 254.7
hesitant trading while the market continued to wait for a decision by the Belgian banking company is offering to buy all commission on Mr Carlo De the shares of its marketing unit

dented by weaker dollar AMSTEEDAM was depressed by the weaker dollar and a lower Wall Street which led to some late profit-taking. The ANP-CBS index essed 1.0 to

220.5.

Blue chips were all lower.

Akzo lost 50 cents to F1 89.80,

Philips was down 60 cents at F1

29.10 and Royal Dutch gave up

F1 3.80 to F1 212.60 after

amouncing retail price rises for

gasoline.

MADRID retreated in quiet, uninspired trading. All sectors showed moderate losses and the general index closed 2.68 points lower at 247.74.

STOCKHOLM continued to

lower at 247.74.

STOCKHOLM continued to be dragged lower by the two-week-old strike by white collar workers which has brought many industrial concerns to a standatill. The Affaersvaeriden general index lost 6.8 to 739.1.

Electrolux, which announced an 18 per cent rine in 1987 profits after the close, slipped SKrI to SKr216. Hive chip engineerings posted losses of between SKr2 and SKr5.

OSLO was taken lower by Monday's news that Norak Data saw its 1987 pre-tax profits halved and by a gloomy report on the Norwegian economy produced by the Central Burean of Statistics. The all-share index dropped 1.74 to 255.57 in thin trading.

Norak Data A lost NKr7, or 5.5 per cent, to NKr65 while the B shares fell NKr2.50 to NKr62, pulling other industrials

NKr52, pulling other industrials

HELSINKI turned mixed with a lower bias in very quiet trading. The Unitas all-share index was 0.1 per cent lower at

Milan sell-off forces suspensions

TRADING of shares within the view they have be huge Ferrozzi-Montedison group was suspended on the know the valuation of Ferruzzi Milan bourse yesterday after a ogry Investors unloaded stocks for the secood day, writes our Markets Staff.

The sell-off was a reaction to plane for a market staff.

Europe yesterday as the dol-lar's weaker start and Mon-

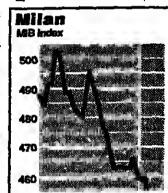
Slemens, which announced a slight fall in first quarter prof-its, eased DM3.50 to DM341.50.

plans for a major restructuring, involving the absorption of Ini-ziativa Meta, Montedison'e insurance and financial services sobsidiary, into the family holding company, Ferruzzi Fin-anziaria. Mootedisoo owns 64 per cent of Meta and its share-holders will be offered 15 Ferruzzi Finanziaria shares for every four of Meta.

cent before their suspension.
Mootedison's last quoted price
was L1,050, down L126, while
Meta's last price was L3,000, down L951, The rest of the market was

dragged lower by the sell-off. The MIB index dropped 9.44, or 2 per ceot, to 450.42. Fiat declined L155 to L7,890, Oliuzzi Finanziaria shares for vetti lost L139 to L7,563 and very four of Meta.

Shareholders are taking the L83,000.



1.0 5

352 378 -

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Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

FT - ACTUARIES WORLD INDICES

| NATIONAL AND REGIONAL MARKETS | | TUESDAY FEBRUARY 2 1988 | | | | | MONDAY FEBRUARY 1 1988 | | | BOLLAR INDEX | | |
|---|-----------------------|-------------------------|----------------------------|----------------------------|------------------------|-----------------------|----------------------------|-------------------|------------------|----------------|---------------------------|--|
| Figures in parentheses show number of stocks per grouping | US Dofter Index | Day's Change % | Pound Sterling Index | Lecal Currency Index | Gross Ohv. Yield | US Dollar Index | Pound Sterling Index | Currency Jadez | 1987/88 High | 1987/68 Low | Year ago (approx) | |
| Australia (93) | 96.90 | +0.6 | 81.17 | 90.54 | 5.00 | 96.32 | 81.20 | 90.31 | 180.81 | 85.36 | 101.93 | |
| Austria (16) | 87.50 | +0.1 | 73.29 | 76.61 | 2.74 | 87.43 | 73.71 | 76.80 | 102.87 | 85.53 | 97.32 | |
| Beigium (48) Canada (127) Denmark (38) | 106.71 | +1.4 | 89.38 | 92.76 | 5.11 | 105.24 | 88.72 | 91.87 | 134.89 | 94.63 | 105.72 | |
| Canada (127) | 108.87 | +0.2 | 91.19 | 100.51 | 3.18 | 108.61 | 91.57 | 100.23 100.25 | 141.78 | 98.15 | 114.77 | |
| Denmark (38) | 113.75 | 40.0 | 95.28 | 99.71 | 2.97 | 113.79 | 95.94 | 100.25 | 124.83 | 98.18 | 123.36 | |
| Figland (23) | 108.12 | -0.9 | 90.56 | 93.03 | 1.83 | 109.05 | 91.94 | 93.99 | _ | - | _ | |
| France (123) | 75.24 | +26 | 63.03 | 66.98 | 4.46 | 73.35 | 61.84 | 65.61 | 121.82 | 72.77 | 111.74 | |
| West Germany (94) | 68.79 | +1.0 | 57.62 | 60.13 | 3,07 | 68.14 | 61.84 57.45 | 59,92 | 104.93 | 67.78 | 91.36 | |
| Finland (23) Franct (123) West Germany (94) Hong Kong (46) Ireland (14) | 87.78 | -21 | 57.62 73.52 | 87.89 | 5.99 | 89.61 | 75.55 | 89.74 | 158.68 | 73.92 | 102.95 | |
| Ireland (14) | 113.66 | -0.5 | 95.21 | 101.40 | 4.48 | 114.18 | 96.26 58.29 | 102.31 | 160.22 | 93.50 | 114.60 | |
| Ireland (14) Italy (74) Japan (457) Malaysia (36) Mexico (14) Metherland (37) New Zealand (24) Morway (24) Singapore (26) South Africa (61) South (43) Sweden (34) Switzerland (53) | 68.17 | -1.4 | 57.10 | 63.00 | 3.05 | 69.13 | 58.29 | 64.28 | 11211 | 68.17 | 101.67 | |
| Japan (457) | 148.70 | +0.5 | 124.55 | 120.45 | 0.58 | 147.94 | 124.73 | 120.96 | 161.28 | 100.00 | 116.56 118.06 | |
| Malaysia (36) | 115.52 | -13 | 96.76 | 11414 | 3.27 | 117.10 | 98.72 | 115.54 | 193.64 | 93.76 | 118.06 | |
| Mexico (14) | 124.01 | -0.1 | 103.87 | 307.24 | 1.16 | 124.08 | 104.61 | 307.27 | 422.59 | 90.07 | 120.37 | |
| Netherland (37) | 97.64 | -1.1 | 81.78 | 84.18 | 5.35 | 98.73 | 83.24 | 85.59 | 131.41 | 87.70 | 104.22 | |
| New Zealand (24) | 70.24 | -28 | 58.83 | 55.94 | 5.87 | 72.26 | 60.92 | 57.76 | 138.99 | 70.24 | 89.07 | |
| Norway (24) | 101.61 | -0.7 | 85.11 | 88.09 | 3.10 | 102.32 | 86.27 | 88.89 | 185.01 | 95.51 81.21 | 109.82 109.63 | |
| Singapore (26) | 102.58 | -11 | 85.93 | 95.70 | 2.53 | 103.75 | 87.47 | 96.72 | 174.28 | 81.21 | 109.63 | |
| South Africa (61) | 125.12 | +4.4 | 104,81 | 77.05 | 5.41 | 119.84 | 101.04 | 76.49 | 198.09 | 100.00 | 112.49 | |
| Spain (43) | 135.24 | -0.7 | 113.28 | 116.74 | 3.49 | 136.14 | 114.78 | 118.20 | 168.81 | 100.00 | 119.22 | |
| Sweden (34) | 105.45 | ~0.5 | 88.33 | 94.29 | 2,65 | 106.02 | 89.38 | 95.19 | 136.64 | 88.50 | 98.01 | |
| Switzerland (53) | 77.63 | +0.1 | 65.03 | 66.03 | 2.52 4.31 | 77.57 | 65.40 | 66.43 | 111.11 | 73.65 | 100.12 | |
| | | +0.5 | 108.76 | 108.76 | 4.31 | 129.20 | 108.92 | 108.92 | 162.87 137.42 | 99.65 | 112.90 113.85 | |
| USA (587) | 104.40 | +0.2 | 87.44 | 104.40 | 3.60 | 104.21 | 87.86 | 104.21 | 137.42 | 91.21 | 113.85 | |
| Europa (970) | 99.40 | +0.4 | 83.26 | 85.58 | 3.96 | 98.98 | 83.45 | 85.73 | 130.02 | 92.25 | 105.79 | |
| Europe (970) Pacific Basin (682) | 144.33 | +0.5 | 120,90 | 118.01 | 0.80 | 143,68 | 121.14 | 118.53 | 158.77 | 100.00 | 115.43 | |
| Euro-Pacific (1652) | 126.38 | +0.4 | 105.86 | 105.07 | 1.81 | 125.82 | 106.08 | 105.45 | 143,65 | 100.00 | 111.60 | |
| North America (714) | 104.63 | +0.2 | 87.64 | 104,19 | 3.58 | 104,44 | 88.06 | 104.00 | 137.55 | 91.68 | 111.60 113.90 95.41 | |
| Pacific Ex. UK (641) Pacific Ex. Japan (225) World Ex. US (1854) | 80.56 | +0.4 | 67.48 | 70.94 | 3.65 | 80.27 | 67.68 | 71.08 | 111.97 | 78.89 82.92 | 95.41 | |
| Pacific Ex. Jacan (225) | 91.75 | -0.7 | 76.85 | 86.66 | 5.20 | 92.37 | 77,88 | 87.42 | 164.03 | 82.92 | 10137 | |
| World Ex. US (1854) | 125.77 | +0.5 | 105.34 | 104.73 | 1.89 | 125.17 | 105.53 97.68 | 105.08 | 143.38 | 100.00 | 111.73 | |
| World Ex. UK (2112) | 116.28 | +0.4 | 97_39 | 104.14 | 2.27 | 115.86 | 97.68 | 104.30 | 138.82 | 100.00 | 112.53 | |
| World Ex. So. Af. (2380) | 117.42 | +0.3 | 98.36 | 104.76 | 2.45 | 117.02 | 98.66 | 104.93 | 139.47 | 100.00 | 112.57 | |
| World Ex. Japan (1984) | 102.52 | +0.3 | 85.87 | 96.63 | 3.79 | 102.23 | 86.19 | 96.60 | 134.22 | 92.98 | 110.67 | |
| The Montal Index (2001) | 717/49 | 404 | 98.40 | 104 57 | 2.47 | 117.04 | 98.67 | 104.73 | 139.73 | 100.00 | 112.56 | |

values: Dec 31, 1986 = 100; Finland: Dec 31, 1987 = 115,037 (US 5 Index), 90.791 (Pound Sterling) and 94,94 (Local). right, The Francial Times, Goldman, Sacks & Co., Wood Machendie & Co. Ltd.1987